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THE SECURITY REVIEW

AN EXCITING FRIDAY ON THE STOCK EXCHANGES.

The Mexican Lease Abandoned for a Merger—Canadian Directors Fighting Hard Against Both—The Shares Advance to 83—C.P.R. Will at Last Control Wisconsin Central Through the "Soo" Line—A Valuable Acquisition —Northwest Land Sales—Electrical Development Shows Great Improvement.

TORONTO.—The New Year has opened in a manner that would seem to indicate that while Nineteen may be Canada's century, Ninteen Nine looks like one of Canada's years. Elsewhere the trade situation is halting between the recent recession and further improvement; in Canada industrial activity is marching on and the improvement in general business continues marked. The bank clearings reached a new high point for the second week of the new year and made an increase of 22 per cent over last year. It is not as though January, 1907, was a bad month in respect to clearings. The railway earnings present the least encouraging figures and there seems to be no let up to the traffic losses of Grand Trunk which for the first week of the year show a loss of $130,998. Canadian Pacific and Canadian Northern show reduced increases, and as January, 1907, was a good month owing to the considerable crop movement that continued on account of the belated harvest, we may under ordinary conditions expect to see the gross gains wiped out for a week or two.

The two outstanding features of the week are the practically accepted announcement yesterday that the Canadian Pacific Railway, through its subsidiary line, the Minneapolis, St. Paul and Sault Ste. Marie, had at length come to an understanding involving the control of the Wisconsin Central. This is an extremely valuable acquisition to the system because it rounds out the "Soo" and Duluth, South Shore & Atlantic subsidiaries and gives the parent and her adopted systems an entrance into Chicago and connects the two somewhat segregated subsidiaries, the "Soo" and Duluth lines, in a most effective manner.

The other event of great interest is the probable composition of the Mexican trouble by a merger. The obnoxious lease will be abandoned by the English shareholders and it is now proposed to amalgamate the two companies on the basis of 80 for Mexican Power and 140 for Mexico Tramways. On Thursday and Friday there was a sudden rise in Mexican Power in prospect of this arrangement, although it was attributed in some measure to buying by Sir George Drummond, Mr. James Ross and the Canadian directors, who are opposed to any lease, and will also object to a merger.

The Canadian markets were very active all during the week and closed very strong, nearly all issues scoring advances. On Friday there was a very large volume of dealings in Mexican Power, on the Canadian exchanges, while in New York there was excited dealing in the two C.P.R. subsidiaries, Soo, and Duluth, and in Wisconsin Central. The latter preferred stock opened at 83, rose to 83⅜, and closed at 81. The common was more pyrotechnical, opening at 38, advancing to 45, closing at 40½. Duluth common rose to 21 from yesterday's price of 17¼, and closed at 19¾. Duluth preferred held its appreciation the best rising from 32¼ on Thursday to 36½ on Friday, and closing at 35¼. Meanwhile C.P.R. remained untroubled by all the advantages the junior roads were supposed to be securing.

The increase in the Bank of England rate from 2½ to 3 per cent. on Thursday had no effect. It is regarded as temporary in most quarters.

The bond market has been very active, and there is an insistent demand for Canadian securities, both at home and abroad.

MONTREAL.—There was another reduction in the local rates on call loans in Montreal during the past week and money is now being freely offered by some half-a-dozen banks at four per cent., for comparatively small lots. Following this reduction the official rate of the Montreal Stock Exchange was lowered to five per cent. Despite the higher discount rate now ruling in London and several of the continental centres, it is not expected that, for a time at least, the local situation will be influenced by the advances abroad. The Canadian banks have abundant funds, and so long as stock market operations are conducted on sane lines, there will be enough and to spare for market purposes until a fresh set of business circumstances arises to warrant a change of policy. The fact that most of the prominent securities, and practically all the "lesser lights" on this market are giving a yield much higher than the interest rates charged by the brokers is expected to stimulate further trading of the general public, and further maintain the underlying strength of the market situation. So far the public has done well in the market, as there was a big participation in Ogilvie, Montreal Power, Textile common and preferred, Lake of the Woods, Laurentide and several others, long before the present high levels were attained. The low-priced stocks are now in favor, as giving less risk in marginal trading.

The sentiment on the "street" never was more hopeful than at present, and, according to the most reliable broking firms, we should see prices very much higher than at any previous time. This is, speaking generally, of course, as some stocks cannot, in their particular circumstances, be expected to rise to the high values of previous boom years. However, with such sentiment in the air, there is every prospect of very high prices being realized, as confidence is the whole basis of a continuous bull movement. Nor is it necessary to have "inflation" to attain these anticipated high levels, because the dividend payments are very much in excess of those paid at the time of the last boom. Such examples of increases include Canadian Pacific, Soo common, Mexican Power, Sao Paulo, Winnipeg Electric, Montreal Power, Laurentide Paper, Montreal Cotton, a few of the banks and many of the Cobalt stocks. There have been initial dividends and may be increases in the next two or three months, so that there should be ample news to keep alive the interest in the stock market and stimulate both investment and speculative requirements.

Canada Northwest Land.

There was a slight improvement in the Canada Northwest Land Company's sales for December, but the amount is so small as to be hardly worthy of mention, although the percentage of increase is high, being 36 per cent. The farm land sales for the month of December and the year are:

	Acres.	Amount.
December.		
1908	441.76	$5,535.62
1907	324.32	3,314.78
Increase	117.44	$2,220.84
Year.		
1908	8,691.77	$ 97,214.06
1907	15,471.34	175,362.49
Decrease	6,779.57	$78,148.43

C. P. R.

The control of the Wisconsin Central has been acquired through the Minneapolis, St. Paul and Sault Ste. Marie Railroad. The Financial Post understands that the proposition involves the purchase of the majority of the preferred stock, which is the issue carrying the control of the property, and that the price to be paid to the one individual who owns 51 per cent. is 84. The stock market thus far has considered that the acquisition of Wisconsin Central is a good thing for W. C., and for the Soo line, but it has not recognized that C.P.R. must have the greatest beneficial interest in the transaction. The entrance into Chicago is extremely valuable, and further, the Wisconsin Central will hitch up the "Soo" and Duluth lines and fill in the missing links. There is now a chance for the Duluth Railway to get out of the rut.

The Wisconsin Central owns 1,100 miles of railway connecting the ore ports of Lake Superior, Ashland, with Chicago and St. Paul and Minneapolis. Its main line runs from Chicago beyond St. Paul and Minneapolis. It has a 99-year user of the Illinois Central terminals in Chicago, and of the Great Northern terminals in Minneapolis. The main line runs from Chicago to Minneapolis. The principal branch is from Abbotsford to Ashland. Another branch is from Abbotsford to Ladysmith, 56 miles, and it is being built on to Duluth.

C.P.R. will now be able to run its Soo line trains from Winnipeg to Chicago. From Chicago to Detroit it runs over the Wabash Railroad, but by the building or acquisition of a line between these points it will then possess an alternative route to the Canadian Northwest that should be of great service.

The increase in traffic earnings was small for the first week in January ($21,000) and as the grain business has now dropped considerably there may be decreases in gross for the next few weeks. During the year C.P.R. has not reduced its operating expenses, for three reasons, first, a single track system cannot cut off employes in the same manner as roads running through populous districts; second, C.P.R. traffic has continued in larger volume; third, maintenance and equipment have been maintained at a high standard.

The stock closed in New York at 176¼ on Friday.

Electrical Development.

The Electrical Development Company in December had the best month in its history, gross earnings reaching $61,664, and net earnings $51,994. The net earnings were equal to 122.73 per cent. of the fixed charges. These earnings compare with $42,737 in December, 1908, and $53,754 in November last. The fixed charges for the year were more than fully earned and there is consequently a surplus. The improvement has been due to the natural growth of the city and the extending uses of electric light and power.

The arrangements for a closer union with the Toronto Electric Light Co. are still in progress.

Mexican Light & Power.

It seems as though the inevitable might as well be accepted and any continued conflict against the overwhelming English majority, is likely to be fruitless. Meanwhile the Canadian directors are making a vigorous resistance. Last week they put the lease advocates out of court by increasing the quarterly dividend to a six per cent basis, which thus rendered the substantive clause in the lease absurd. One director objected to this action.

The English shareholders' reply came yesterday when Mr. Z. A. Lash, K.C., Vice-President of the Mexico Tramways Co., made public the following letter:

"I beg to inform you that all offers of the Mexico Tramways Company to lease the undertaking of the Mexican Light and Power Company are withdrawn; any negotiations in that connection being now at an end."

Some people immediately interpreted this announcement as indicating that all negotiations in regard to the two companies were at an end. Such, however, is far from the case. It is now the intention of the English shareholders of the Power Company to amalgamate the two companies on a basis of the present market value of the shares. Either a new company will be formed, in which stock will be allotted on the basis of 80 for Power and 140 for Tramways, or the Power Company will be absorbed in the Tramways Company on a similar basis. This proposition will meet with equally strenuous opposition, probably, from Sir George Drummond, and certainly from Mr. C. H. Cahan.

In Wednesday's papers Sir George Drummond, Hon. Robt. Mackay and Mr. James Ross returned to the fight and published a vigorous circular to the shareholders, which spoke of "a peculiarly sinister issue which has recently arisen." It contrasted the excellent prospects of the Power Company with the Tramways' position. The circular made a new point when it showed how impossible without heavy loss in financing it would be to rescind the lease as the issue of bonds would naturally not result in a full par return to the Power Company, but its obligation to pay them off at par would be insistent.

On many points the Canadian directors have the better of the argument. The English shareholders on their part say that the Power Company had the opportunity of securing the Tramways Company in 1906, and lost it by the delay of certain directors now most strenuously opposing it; that the Canadian directors have sold the major portion of their holdings to the English holders, and have lost their voice in any control; and that they want Dr. F. S. Pearson to be in operating control of the Power Company in preference to Mr. C. H. Cahan. It looks as if the question were in a measure being reduced to a personal issue.

Mexican shares were strong yesterday, advancing over night from 78½ to 83.

The Post's Montreal correspondent writes:

"It is not believed here that the public is much of a factor in the sudden advance, the movement being attributed to extensive buying orders by the "insiders" in Canada, with the object, some believe, of swelling the number of proxies to be voted against the lease proposals. If the Canadian directors are satisfied that the six per cent. dividend can be maintained, indefinitely, it might be reasonable to suppose that they would be willing, even anxious, to buy in all available stock around these quotations. They no doubt believe that a considerable number of British stockholders will reconsider the question of a lease and give the directors the support they ask for, and being assured of this it is quite conceivable that the directors themselves, with their powerful backing, will start a buying campaign so as to turn the balance of proxies in their favor. The London interests will, for exactly the same reasons, endeavor to maintain the majority vote and will not be inclined to allow any stray share to pass unpurchased on the market."

Rio de Janeiro.

The newspaper cables announced on Thursday that the populace of the city had risen in their disgust at new routes and burnt twelve cars. Later cables to a company director in Toronto on Friday stated the damage was small and the attack had been made on the mule cars. A crowd had been gathered by some merchants who objected to change of routes, while the transformation of the present service was going on. The advice stated that further reprisals were not expected. The stock remained **strong at 82¼.**

THE BOND SITUATION

AN ACTIVE AND IMPROVING MARKET.

The Increase in the Bank Rate—Winnipeg's Wise Decision—New Canadian Issues in London—The Maritime Outlook—A Great Output of Securities in the United States—A Public Telephone Disappointment—Bond Notes of Interest.

There is only one flaw in the bond situation this week, so far as the local market is concerned, and that is that there is too little to sell. The dealers say that business is all that can be expected of the month of January — and that is saying a good deal. Some of the firms in fact report a record business, and it is evident that banks, insurance and other companies, and the private investor generally, are coming into the market with a unanimity eminently satisfactory to the dealers.

The foregoing will suggest rather strongly that the supply of bonds is meagre at present and thus early in the year it is difficult to foretell accurately how large the offerings will be. There were a great many by-laws voted on at the municipal elections, but these alone will not be a very large factor in meeting the early-year demand. The West will doubtless do its share in the way of bond output. One of the bond firm representatives just returned from the prairie country reports conditions fine, and even if this is perhaps a sanguine estimate, the favorable money market will undoubtedly cause more or less of an anticipation of further needs. If the West will balance up these conditions against their experiences last year resulting from too much extravagance the situation will be much improved.

There is another factor that at the moment makes the bond situation a little problematical, namely, the rise in the Bank of England minimum discount rate to three per cent. The English market is already a trifle behind the Canadian in price and if the three per cent. rate continues its influence on bond prices will of course accentuate this difference.

It is believed that with the Russian loan out of the way the old rate will be restored, in which case the prophecy heard in some quarters may be realized, that bond prices will move from "firm," "upward" during the whole of 1909. The Canadian money market at present continues to offer support to this belief as it is reported that money may be had at 4 per cent. even on stocks.

As an instance of the activity locally one Toronto bond house sold chiefly to individuals on one day this week $235,000.

Public Telephone Disappointment.

Virden, Man., and vicinity are very much exercised over the telephone question. The Municipality of Wallace issued $50,000 debentures to instal a telephone system on the Government's assurance (according to reports) that the cost to the farmers would be $12 per instrument. The province has since bought out the Bell System and it now seems that the cost per telephone in Wallace will be $34.50, instead of $12. Bell patrons, too, have been expecting reduction, but it is, of course, too soon to expect this yet.

The Maritime Outlook.

Higher prices for bonds are evidently looked for in the Maritime Provinces. Mr. J. C. Mackintosh, of J. C. Mackintosh & Co., Halifax, writes The Post: "The bond market for the latter part of 1908 in the Maritime Provinces was quite active and firm. We look for a continued improvement during the present year, when bonds will, without doubt, reach a higher level than at present."

Providing for U.S. Deficit.

If present laws remain in force the U. S. Secretary of the Treasury estimates that the national deficit for the year ending June 30, 1909, will be $114,000,000, and for the succeeding year $143,000,000. In this connection the suggestion is being strongly made now that the permanent public works, such as buildings, waterways, etc., should no longer be financed out of current revenues, but from bond issues. It is thought that the U. S. could easily carry a public debt of $5,000,000,000, but the banks, who now buy the 2 per cent. bonds for deposit purposes, would no longer be able to take up all the Government offerings. This would necessitate the bond interest being put on an investment basis of at least 3 per cent. to attract investment funds. The public debt of the United States was, by the last sale of Panama bonds, brought up to some $913,000,000.

The Output of Securities.

An American financial paper has remarked that the outstanding feature of the United States bond market at present is the "inordinate output of new securities." We believe on the contrary that a continued issuing of substantial bonds will, considering the position of the money market, be one of the valuable solvents of the general situation. The funds thus released for railway and similar extensive undertakings will, at least in so far as new works are involved, make itself felt before very long in commerce generally. Mr. W. C. Brown, the recently-chosen president of the N. Y. Central, said a few days ago that the U. S. must continue to invest huge sums in her railroads if the nation's growth were not to be calamitously limited. Notwithstanding this fact, railroad extension in the United States promises to be less in 1909 than during the previous year, which was the record low year for a decade.

A Recent Anomaly.

A bothersome question in municipal policy, if not morals, has arisen in connection with a recent sale. One of the municipalities advertised its bonds, and when the tenders were in, awarded the issue, if The Post is not misinformed, to another than the highest tenderer. There is no suggestion that there was any collusion of any kind in the sale, but the question does arise as to how far a municipality is justified for any reasons whatever in selling under the market price. The method of public tender through the dealers and others brings to the municipalities much higher prices than would otherwise be obtained, and the point naturally arises as to what will happen to the tender system if the custom becomes to any extent general of going by the highest bidder.

A Standard Form.

It has been suggested to The Post that it would be in the interests of the municipalities if the bond dealers would adopt a standard form for their blanks sent for municipal information. As it is there is considerable variation as to the particulars desired by the dealers, and if this were standardized, the municipalities would often be saved considerable unnecessary work.

New Issues in London.

The lists closed in London yesterday covering $1,000,0[illegible] per cent. first mortgage sinking fund debentures of the Montreal Cotton Co. The price was 97½.

Coates, Son & Co. brought out in London on the 6th the $2,000,000 Montreal bonds recently taken by Hanson Bros. The issue price was 103 and the public are said to have taken the bulk of the amount.

The Detroit United Railway is expected soon to offer some $2,500,000 4½ per cent. bonds to, among other purposes, provide additional equipment.

The Montreal Water & Power Co., whose operations cover the outlying municipalities of Greater Montreal, is selling in London this week $500,000 4½ per cent. prior lien bonds at 94.

The Week's Purchases.

The purchases during the week are again an index of the short supply.

Steiner, Dunlop & Co. bought $57,000 Buckingham, Que., 5 per cent. 30 years debentures.

G. A. Stimson & Co. have purchased $48,000 Town of High River, Alta., $5,000 maturing in 10 instalments, issued for a fire engine; $20,000 10 instalments for an electric plant, and $15,000 for a town hall, all bearing 5 per cent. interest; also $8,000 maturing in 20 annual instalments, for additional cost of town hall, bearing 6 per cent. interest.

Ontario Securities Corporation have secured $11,000 Prince Albert 25 instalments 5 per cent. Separate school debentures.

The price paid by W. A. Mackenzie & Co. last week for the $125,000 15 to 30 years Brandon 5's was 104.60, or somewhat over a 4⅝ per cent. basis.

Saskatoon, it is rumored, are considering a further issue during the year of some $500,000.

Bond Notes.

The borrowing power of western municipalities is fixed by statute at 15 per cent. of the assessed value. The City Council of Calgary is now considering asking for legislation allowing the borrowing power to be increased to 20 per cent.

Winnipeg intends hereafter if possible to have her funds in hand from debenture sales before proceeding with new works. It is reported that the city's bank agents cabled England to get an opinion as to the best time to bring out further bonds and were told to do so at once as the market was expected to be particularly favorable for a month to six weeks.

Montreal's delinquents are to be better housed evidently, as the province is selling three-quarters of a million bonds this month for a new gaol for the District of Montreal.

The Emperor of Russia has sanctioned a Finland Government railway loan of £1,800,000 at 4½ per cent., which has just been offered on the London market. The price is £92 10s, or a £4 17s 4d per cent. basis. Finland has already some $65,000,000 invested in railways.

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Province of Quebec—Buckingham; Cookshire; Danville; Fraserville: Grand Mere; Megantic; Levis; Montreal—Hochelaga, Papineau Avenue, Peel Street, Point St. Charles, Seigneurs Street, Ste. Anne de Bellevue, St. Henri, West End, Westmount; Quebec; Quebec, St. Roch, Upper Town, Sawyerville; Sherbrooke; St. Hyacinthe.
Province of New Brunswick—Andover; Bathurst; Chatham; Edmunston; Fredericton Grand Falls; Hartland; Marysville; Moncton; Shediac; St. John; Woodstock.
Province of Nova Scotia Amherst; Bridgewater; Canso; Glace Bay; Halifax; Halifax, North End; Lunenburg; Mahone Bay; Port Hood; Sydney; Wolfville; Yarmouth.
Prince Edward Island—Charlottetown.
Northwest Provinces Altona, Man.; Brandon, Man.: Calgary, Alta.; Cardston, Alta.; Edmonton, Alta.; Gretna. Man.; Indian Head, Sask.; Lethbridge, Alta.; Magrath, Alta.; Medicine Hat. Alta.: Oakville, Man.; Portage la Prairie, Man.; Raymond, Alta.; Regina, Sask.; Rosenfeld, Man.; Saskatoon, Sask.; Winnipeg Man.; Winnipeg, Fort Rouge; Winnipeg, Logan Avenue.
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TRACTIONS

A REVIEW OF 1908.

Detroit United.

	Gross earns	Surplus earns.	P.C. on Com.	P.c. paid	Price for Yr. High	Low
1904	$4,541,805	$ 745,704	5.96	4.	80	60
1905	5,125,563	1,014,823	8.11	4.5	97	75
1906	6,063,182	1,160,045	9.28	5.	102	79
1907	7,073,245	1,114,458	8.91	2.75	84½	28½
1908	....	....	.....	0.	56⅞	31½

The failure of the company to reach a satisfactory agreement with the city is now probably the main obstacle in the way of resumption of dividends. The profits for the first nine months of the present year show a surplus of $755,798 on the entire system. This is less by $132,443 than the earnings for the same period for 1907 but even at this rate the yearly surplus will be $1,007,731 or 8.05 per cent on the common stock. An item issued from Detroit places the year's earnings at $1,100,000 or 8.8 per cent. of common. No dividend has been paid since Aug. 1, 1907, and the saving which has resulted, nearly $1,000,000, has enabled this company to place their finances on a fairly firm basis. It is said a new issue of $2,500,000 bonds will be made in the near future sufficient to entirely wipe out the short term notes and all floating indebtedness and leave a sufficient sum for necessary improvements and additional equipment.

One would naturally expect that the failure of the Cleveland municipal venture would assist in bringing about some amicable arrangement between the company and the city. The fare in Detroit has been a straight five cents and it is not unlikely some such graded system such as that in vogue in Toronto . Montreal may now find favor with both parties.

Halifax Electric.

	Gross earns	Surplus earns.	P.C. on Com.	P.c. paid	Price for Yr. High	Low
1904	$ 379,464	$ 134,363	9.9	5.	107	85
1905	370,368	107,389	7.9	6.	110	100
1906	387,517	137,898	10.2	6.	108	100
1907	405,432	139,916	10.3	6.	104	87
1908	....	....	.....	6.	105	95

The annual report of 1905 stated that the drop in earnings for that year was due almost entirely to a snow blockade which completely tied up traffic for some weeks on part of the line. In 1907 the earnings were also much reduced in consequence of street paving operations and renewing of water pipes by the city. The company controls the railway and all the electric lighting and gas business in the city of Halifax, which has a population of about 50,000. The franchise expires in 1915. Reports of earnings for 1908 are not yet available.

Illinois Traction.

	Gross earns	Surplus earns.	P.C. on Pfd.	P.c. Com.	Price for Yr. High Preferred	Low
1905	$1,670,476	$ 236,182	14.5	5.4		
1906	3,013,107	527,477	21.4	8.2	101	89
1907	3,779,187	463,115	16.62	6.6	94	70
1908	....	....	.....	....	95	79

This company was organized in May, 1904, and at the present time is a consolidation of 36 railway, light, power, heat and gas companies operating in and around Danville, Bloomington, Decatur, Jacksonville, Peoria and other smaller towns in central Illinois. Extensive constructive operations have been carried on continuously since organization, with the ultimate purpose of connecting all the links to form one great system of electric lines, and the year 1907 saw in great measure the consummation of this plan. As a result, the earnings have shown big increases in an unfavorable year. Gross earnings for the first eleven months of 1908 are $3,712,953, net $1,592,455. The year's net at the same rate will be $1,737,223, an increase over 1907 of about $90,000. Allowing $1,000,000 for bond interest leaves $737,223 or 18.43 per cent. on the preferred stock. The surplus after preferred payments will be about $500,000 or equivalent to nearly eight per cent. on the present outstanding common stock.

The company's system also extends to St. Louis but entrance to the city has been difficult owing to the inadequacy and unfavorable location of the bridge over the Mississippi River. The company a year ago secured the right of way and necessary franchises to build a bridge of its own and construction has been under way during 1908. The advantage of entrance into a city the size of St. Louis, about 600,000, will undoubtedly be very great.

In the absence of a common stock on the market the preferred has always been fairly active. As an investment it is well safeguarded and at 93 yields 6.4 per cent.

Twin City Rapid Transit.

	Gross earns	Surplus earns.	P.C. on Com.	P.c. paid	Price for Yr. High	Low
1904	$4,308,080	1,230,041	7.67	5.	107	87
1905	4,759,262	1,379,320	7.82	5.	123	104
1906	5,644,988	1,622,180	8.77	5.	122	102
1907	6,055,742	1,642,136	8.16	5.	108	71
1908	....	....	.....	5.	96⅞	79

In the past few years the company has followed the practice of setting aside large sums for renewals and on this account the surplus earnings as calculated by them have appeared smaller than the above table indicates. In this way a total sum of over 1,500,000 dollars has been appropriated during the last four years and the surplus earnings have been made to read 6.20 per cent, 5.90 per cent, 5.67 per cent., 5.65 per cent. instead of as shown above. In view of the fact that the appropriations to date for this fund have exceeded the requirements by about 50 per cent. so that the company has built up a reserve renewal fund of $855,920 it would appear that the necessity for setting aside such large sums has been well over-estimated and that much smaller amounts will figure under this heading in future reports.

The earnings for the first eleven months of 1908 show a good increase in gross, but owing in part to increased operating expenses and in part to increases in fixed charges and taxes it is doubtful if surplus account will show any advance over a year ago. The surplus over all charges for eleven months is $1,521,389, and at the same rate for the year would be $1,659,697 or 8.25 per cent. on common as compared with 8.16 per cent. a year ago. If, however, it is considered necessary by the management to make as large an appropriation for renewals as in 1907, the yield on common will fall below 6 per cent.

The attitude of the directors towards dividends has been most conservative and it is doubtful if the shareholders are justified in looking for an increase at the present moment, though doubtless some tractions under less favorable conditions are paying higher dividends. The increase, however, can only be a matter of time for the present conservatism of the board is improving the intrinsic value of the securities, to which must be added the value of a perpetual franchise with an established five cent fare in St. Paul and a limited franchise which the company claims is as good as perpetual in Minneapolis.

Montreal Street Railway.

	Gross earns	Surplus earns.	P.C. on Com.	P.c. paid	Price for Yr. High	Low
1904	2,463,824	713,341	11.10	10.	218	198
1905	2,707,474	778,169	11.25	10.	240	212
1906	3,100,486	907,758	12.96	10.	284	211
1907	3,503,643	997,221	12.83	10.	239	157
1908	3,677,432	1,035,812	12.61	10.	204	170½

The company's year ends Sept. 30, and the annual statement is to hand. During the year a new bond issue of $2,238,666 was made, and also a common issue of $1,000,000. The proceeds of the sale were used to retire $292,000 matured bonds, to cancel a bank obligation of $500,000, to take up $1,010,030 short term notes and to cover the year's necessary repairs and expenditures. Surplus account has been increased by $69,513 and now stands at $2,042,216. The Montreal Park and Island radial is still unable to pay its fixed bond charges although net earnings increased by about $15,000; and the newly acquired Montreal Terminal railway did not yet earn enough to pay its operating expenses. In spite of these losses, however, the earnings of the system are well over the dividend requirements, though it must be said that holders of this stock seem to be satisfied with a smaller margin over dividend requirements than is generally seen in this class of security.

The franchise expires in 1922 and already the Montreal public, judging by recent negotiations with the Power company, show symptoms of the municipal ownership fever. The relations between the public and the railway company seem, however, for the most part, to be cordial and in marked contrast to the attitude of some other cities towards their franchised industries. This in part no doubt accounts for the high price of the stock.

The company starts its new year with a very satisfactory improvement in October surplus earnings of from $119,454 to $133,003 due in part to smaller fixed charges and in part also to a lower ratio of expenses to gross earnings.

Rio de Janeiro Tramways, Light and Power.

	Surplus earns.	P.C. on Com.	P.C ernd. in 1906	Price for year. High	Low
1907	$933,767	4.24	2.2	48	27
1908	....	......		81	29

In April, 1908, second mortgage bonds to the amount of £3,500,000, bearing interest at 5 per cent., were authorized and an issue of about $11,000,000 has already been made, the balance being retained in the treasury for future requirements. This brings the total bond issue up to $36,000,000. The common stock stands at $25,000,000. The market for both the bonds and shares has been active, the movement in the common, in part, no doubt, on the expectation of a dividend. This expectation would not appear to be warranted for some time to come in view of the gigantic constructive policy of the directors which will require large sums of money. The surplus earnings may well be utilized in this constructive work, and as the directors have followed this plan in the past, it is not unlikely they will continue to do so as long as the need is very urgent.

Gross and net earnings for the first eleven months of 1908, both show a big increase over the same period a year ago, but this will be swallowed up by increased bond interest, so that the surplus should figure out about the same as last year. The eleven months' net is $2,504,865. At the same rate the year's net would be $2,732,580. Deducting $1,800,000 for interest on $36,000,000 5 per cent. bonds, first and second mortgage, leaves $932,580, or 3.72 per cent. on common.

The future of the company, however, in virtue of its varied enterprises and excellent franchises is very bright. This company owns and operates, under a franchise which expires in 1935, about 40 miles of electric road in the City of Rio de Janeiro, with a population bordering on 1,000,000 people; also 85 miles of animal traction which is being electrically equipped as rapidly as possible. They operate the only gas plant in the city, the business of which is very rapidly increasing. They hold a franchise, exclusive, until 1917, non-exclusive for another 35 years, to furnish electric light and power in the city. They own and operate under an exclusive franchise the telephone system. They own waterways capable of developing up to 135,-

(Continued on page 3.)

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CAPITAL PAID-UP, $10,000,000 REST, - - $6,000,000

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The Dominion Bank
HEAD OFFICE - TORONTO, ONT.

Capital Paid-up - - - - - - $3,800,000
Reserve Fund and Undivided Profits - - - 5,300,000
Deposits by the Public - - - - - - 37,000,000
Total Assets - - - - - - 51,000,000

DIRECTORS:
E. B. OSLER, M.P., President. WILMOT D. MATTHEWS, Vice-President.
A. W. AUSTIN, JAS. CARRUTHERS, J. J. FOY, K.C., M.L.A.
W. R. BROCK, R. J. CHRISTIE, A. M. NANTON, J. C. EATON
CLARENCE A. BOGERT, General Manager. H. J. BETHUNE, Superintendent of Branches.

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OF CANADA

DIVIDEND NO. 73

NOTICE is hereby given that a dividend of THREE PER CENT. for the current quarter ending 31st January, 1909, being at the rate of TWELVE PER CENT. PER ANNUM upon the paid-up capital stock of this Bank has been declared, and that the same will be payable at the Head Office of the Bank and its Branches on and after

Monday, the 1st day of February Next.

The Transfer Books will be closed from the 20th to the 30th of January 1909, both days inclusive.

The ANNUAL GENERAL MEETING will be held at the Head Office of the Bank in Toronto on Wednesday, 17th February, 1909. The chair will be taken at 12 o'clock noon.

By order of the Board. GEO. P. SCHOLFIELD, General Manager.

Toronto, 22nd December, 1908.

THE BANK OF OTTAWA
Head Office: Ottawa, Ont.

Capital Authorized, - $5,000,000
Capital Fully Paid up, - 3,000,000
Rest and Undivided Profits, - 3,405,991.22

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NATIONAL SAFETY PAPER
COR. SIMCOE AND PEARL STREETS TORONTO

TRACTIONS.

(Continued from page 2.)

000 horse power, of which well up to 25,000 h.p. is already being delivered.

Sao Paulo Tramway, Light and Power.

		Gross earns	Surplus earns.	P.C. on Com.	P.c. paid	Price for Yr. High	Low
1904	.....	1,419,338	648,000	9.34	7.5	110	87
1905	.....	1,908,405	962,627	12.83	8.	143	106
1906	.....	2,018,703	1,008,280	13.44	8.	146	125
1907	.....	2,111,523	1,036,450	12.40	9.	138½	94
1908	.....	....	....	.....	10.	156½	110½

During the year an increase in capital from $8,500,000 to $10,000,000, was authorized, and in March an issue of $600,000 was made which brings the present capital up to $9,100,000. Earnings for eleven months of the present year are $1,241,013, an increase over the same period last year of $85,768. December has always been far and away the best month of the year for this company, but even if only the average increase is maintained the full year's net earnings will amount to $1,489,438. Deducting for bond interest and taxes, the same as last year, $359,422, there remains surplus earnings available for common dividends of $1,130,016. Placing the average common at $9,000,000, this is a return of 12.55 per cent., ample to meet the three quarterly dividends of 9 per cent. and a final payment at 10 per cent., an average for the year of 9.25 per cent.

The announcement of an increase in dividend had little effect on the market where the action of the directors was apparently fully discounted. This stock looks now to have established itself in the investment class, and to have demonstrated its ability to yield safe earnings around twelve or thirteen per cent., rather than make large yearly increases. As a result, the shareholders need not look for further increases in the near future, but should not at the same time have any misgivings as to the soundness of their investment. The shares will probably slowly appreciate in value as the stability of the present earning power is year by year proven. This is all the more likely in view of the excellent franchise, exclusive until 1941, and practically perpetual, for operating street railways in the city and suburbs, for electric lighting, public and private, and for the distribution of electric power. The company also holds a 30-year franchise for the distribution of light and power in the municipality and town of San Bernardo. At present the maximum power available is about 14,000 horse power, but as the demand increases this instalation, at Parnahyba, 23 miles from the city, is being increased to 21,000 h.p. The total water rights held by this company can finally develop it is said up to 65,000 h.p. The population of Sao Paulo city is about 235,000.

Toronto Railway.

		Gross earns	Surplus earns.	P.C. on Com.	P.c. paid	Price for Yr. High	Low
1904	.....	2,444,534	552,089	8.77	5.	107	97
1905	.....	2,747,324	642,584	9.20	5.	112	104
1906	.....	3,109,739	816,096	10.80	6.	125	104
1907	.....	3,511,197	929,051	12.21	6.	115	83
1908	.....	....	....	......	6.	109	94

The gross earnings continue to improve and for the first eleven months show an increase of $128,488, and will probably show increase of $143,000, or a total of $3,654,197 for the year. No statement of operating expenses for the year is available, but it may reasonably be expected that with the full power supply now coming from Niagara these expenses will certainly be no greater than formerly, while there has been greater economy in operation owing to the fuller use of the new loops. Calculating expenses on the same basis as last year the total net profits should be not less than $1,684,585. Allowing for the same fixed charges as a year ago, with the addition of an extra $28,600, as the city's portion, there will remain $934,183 for dividends on common, as compared with $929,051 in 1907.

There seems to us to be little reason for a bearish attitude on the part of the investor towards this stock. The one unfavorable factor is its limited franchise, but as has been pointed out, more than once in The Post, this company is yearly becoming less dependent on its city lines. There is already a large surplus account of $2,268,433, and another thirteen years can scarcely fail to show assets which will richly recompense the holder of this stock, even if the franchise should not be renewed. It may be safely predicted, too, that the views of the public on the question of municipal ownership and operation of its various enterprises will be materially modified before 1921, especially in view of the excellent agreement which added something over half a million dollars to the city treasury last year.

The decision of the Ontario Railway and Municipal Board favoring the railway company and allowing them to make extensions wherever necessity demands, shows very clearly the point of view the impartial observer takes of the continual disagreements between the Council and the railway company. The city may appeal the decision, but, on the face of it, it looks the best solution of the difficulty. With this matter settled the company is prepared to make extensions to relieve the congested areas. The difficulty seems to be that the citizens of Toronto are unwilling to believe that in any scheme suggested by the railway company there is not some ulterior motive which will far outweigh any benefit that may accrue to the citizens themselves. In this particular case, at least, it is difficult to see any motive other than that of perfecting the system.

It is impossible to forecast the earnings of the radial lines, but they have had the benefit of an unsurpassed outing season for the whole of which, for the first time, the Jackson Point extension was in operation. This line is now operated by Niagara power as far north as Newmarket. The earnings for 1907 of the Toronto and York Radial Railway Co. showed a surplus over all charges of $32,893, an increase over the previous year of about $3,000.

Winnipeg Street Railway.

—		Gross earns	Surplus earns.	P.C. on Com.	P.C. paid	Price of Stock High	Low
1905	.....	1,119,768	394,451	9.86	5.	192	114
1906	.....	1,416,305	463,303	11.17	6.5	190	160
1907	....	1,722,406	560,007	12.01	8.	186	120
1908	.....	....	....	....	10.	171¾	124

The Winnipeg Railway Company was organized in 1904 by a merger of the Winnipeg Electric Street Railway and the Winnipeg General Power Company, and now controls all the street railway, gas, electric power and commercial electric lighting business in the City of Winnipeg and the Town of St. Boniface, with a combined population of about 100,000. They also own the stock of two suburban roads operating respectively 16 and 21 miles of track. The street railway franchise is exclusive until 1927 in Winnipeg, and until 1943 in St. Boniface, and at the expiration of this time the city must either buy the railway plant or extend the franchise. Payments to the city are moderate, being only 5 per cent. on gross earnings up to any amount.

The power for this enterprise is generated by an hydraulic plant on the Winnipeg River, which, when completed will develop upwards of 30,000 h.p. At present about 15,000 h.p. is delivered in the city and development is proceeding as the demand for power increases. The earnings for 1908 are not yet available, but it is understood they show considerable improvement over 1907, and the reduction in operating expenses has been most marked. The City of Winnipeg is now proceeding with its competitive power scheme.

THE ROYAL'S DISTINCTION.

Gains All Along the Line—The Profits and Business Loans Both Increase.

The Royal Bank is the one institution which has made increases in all the essential items of a bank statement. Its annual report is distinctive in the fact that it shows increased profits, increased current loans, and increased deposits. Last year during the depression the Royal made what looked like a good times record but during the year of falling bank profits it has made even further advances. It shows the largest percentage of profit of any bank thus far reporting, being 19.12 per cent. Another most interesting feature of the report is the amount of business loans which now stand at $26,736,164 compared with $25,862,931 a year ago. An increase of nearly a million dollars.

Last year when this item was as a general rule showing a tendency to decline the Royal Bank reported an increase of nearly $3,000,000. The loan item is this year's notable feature just as in 1907, when deposits were shrinking generally this institution exhibited a substantial gain in the deposits. The profit and loss account compares with last year as follows:

	1908.	1907.
Profits	$746,775	$742,034
Balance forward ...	156,910	74,875
	903,685	816,909
Appropriated as follows:—		
Dividends	$390,000	$[illegible]000
Officers' Pension Fund	25,000	20,000
Written off premises	200,000	210,000
Transferred to Reserve	210,000	....
Balance forward	78,685	156,909
	$903,685	$816,909

The reserve fund now stands at $4,600,000 compared with a capital of $3,900,000. The quick assets are 52.63 of the public liabilities and the cash reserves are 27.53 per cent of these liabilities. It is worthy of note that while there is no Government stipulation in Canada in regard to reserves, the percentage in this case is considerably above the legal amount required by the U. S. Government by its cast-bound and less effective banking system.

GOVERNMENT MISREPRESENTATION.

"The way of the oppressor is hard."

Or, as Sir Walter Scott did not express it:

"Oh what an awful muss we mess
When first we practise to oppress."

The Ontario Government, in its unfair competition with the Electrical Development Company, is finding that the proposal to erect a dangerous high-voltage transmission line across private property by way of easements from the farmers is likely to prove an expensive undertaking. Rather than face the issue of an action with one farmer, T. J. Death, the Hydro-Electric Commission settled the case by the payment of $300 instead of $60 as first agreed. A writ has now been issued against the Hydro-Electric Commission by Gideon Hodgkins, a farmer of Gainsborough Township, Lincoln County, who asks the court to set aside an agreement he made with the commission on the ground of misrepresentation and concealment of material facts relative to the danger by electrical current. According to an item in The Toronto Telegram fourteen other farmers will shortly issue similar writs. In settling the Death case by a payment of five times the original amount the Hydro-Electrical Commission has practically admitted their unfair position.

Since the panic in the United States, of October, 1907, 253 banks failed, with liabilities totalling $261,924,354, divided as follows:

	Number	Liabilities
National banks	34	$58,721,146
State banks	103	64,230,767
Trust companies	34	98,072,411
Savings banks	19	8,056,591
Private banks	63	32,843,439
Total	253	$261,924,354

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The Central Canada Loan and Savings Company

The Twenty-fifth Annual General Meeting of the Shareholders of the Central Canada Loan & Savings Company was held at the Company's Offices in the City of Toronto on Monday, the eleventh day of January, 1909, at 2.30 o'clock p.m.

The President, Hon. Geo. A. Cox, having taken the chair, Mr. E. R. Wood, Managing Director, was requested to act as Secretary to the meeting.

After reading the notice convening the meeting, the Secretary read the Twenty-fifth Annual Report, and, accompanying Financial Statement, as follows:

The Directors have pleasure in submitting to the Shareholders their Twenty-fifth Annual Report, for the year ending December 31st, 1908, as follows:

GENERAL STATEMENT, DECEMBER 31ST, 1908.

ASSETS.

Loans, Secured by First Mortgages on Real Estate		$1,094,652.36	
Loans, secured by Bonds, Stocks and Debentures		1,939,217.39	
			$3,033,869.75
Bonds and Stocks, owned		$4,495,921.12	
Real Estate, including Company's Building		228,730.77	
Cash		384,963.65	
			$5,109,615.54
			$8,143,485.29

LIABILITIES.

Deposits		$ 945,166.33	
Debentures, currency		2,159,241.81	
Debentures, sterling		2,329,616.01	
			$5,434,024.15
Capital, (subscribed $2,500,000) upon which has been paid		$1,500,000.00	
Reserve Fund, 31st December, 1907	$1,100,000.00		
Transfer from Profits of year	50,000.00		
		$1,150,000.00	
Profit and Loss		29,461.14	
Dividend, due January 1st, 1909		30,000.00	
			$2,709,461.14
			$8,143,485.29

15-5
110
265

795

70
225
+ 50

PROFIT AND LOSS ACCOUNT.

For Year Ending December 31st, 1908.

Balance at Credit of Profit and Loss Account, 31st Dec., 1907	$ 20,848.99
Net Profits for the year after deducting charges of Management, Interest on Debentures and Deposits and making provision for all losses	178,612.15
	$ 199,461.14
Appropriated as follows:	
Quarterly Dividends, Nos. 96, 97, 98, and 99, being at the rate of 8 per cent. per annum on $1,500,000	$ 120,000.00
Transferred to Reserve Fund	50,000.00
Balance carried forward	29,461.14
	$ 199,461.14

777

RESERVE FUND.

Balance at Credit, 31st December, 1907	$1,100,000.00
Transferred from profits of year	50,000.00
Balance carried forward	$1,150,000.00

After the payment of interest on deposits and debentures, and all expenses of management, there remain net earnings amounting to $178,612.15, or 11.90 per cent. on the Company's paid-up capital for the year. These earnings have been disposed of as follows:

(a) By payment of four quarterly dividends of 2 per cent. each, being 8 per cent. for the year on $1,500,000 Paid-up Capital	$120,000.00
(b) By addition to Reserve Fund	50,000.00
(c) By Balance left in Profit and Loss Account	8,612.15
Total	$178,612.15

The above addition to Reserve Fund increases same to $1,150,000, making it now 76.66 per cent. of the present paid-up capital of $1,500,000.

The balance in Profit and Loss Account carried forward to next year is $29,461.14.

The Assets of the Company have, as usual, been carefully re-valued on a most conservative basis.

The books and accounts of the Company have been audited, and the Auditors' certificates are attached to the balance sheet.

The Inspection Committee have examined the Securities and documents in connection with the Company's entire body of assets, and their Report is appended.

GEO. A. COX,
President.

Toronto, January 11th, 1909.

The President, Hon. Geo. A. Cox, in moving the adoption of the report, said:

I am pleased to congratulate you on the fact that the Company has completed the first quarter century of its existence, and also on the prosperous condition it has attained in these twenty-five years of activity as evidenced by the Report now before you.

For the past year the net earnings have been $178,612.15, or 11.90 per cent. on the Paid-Up Capital of the Company. Out of these earnings a dividend of 8 per cent., amounting to $120,000, has been paid, the sum of $50,000, added to Reserve Fund, increasing same to $1,150,000, or 76 2-3 per cent. of the Paid-Up Capital, and $8,612.15 added to the open Profit and Loss Account. These highly satisfactory results of the year's business are all the more gratifying because they can be regarded as accompanying improvement in financial conditions throughout the Dominion.

The first item in the statement of Assets is $1,094,652.36 in Mortgages on Real Estate, which is situated in the Province of Ontario. These mortgages are largely on farm property, and it is gratifying to note that the general results of farming operations in this Province have been satisfactory during the year 1908. There has been on the whole a prosperous year, and maturing obligations have been promptly met.

The next item is $1,939,217.39 in loans secured on bonds, stocks and debentures—all approved collateral with ample margins. The interest rate on loans of this class fell from 6½ per cent. at the beginning of the year to 4½ per cent. at the close, the average rate being satisfactory. This decline in the rate, although lessening immediate returns, was a natural result of the restoration of normal financial conditions, and the relief of the money stringency. Under these more favorable conditions there was a gratifying expansion of the most important branch of the Company's business, viz., the purchase and sale of Government, Municipal and Corporation Bonds. The Company's dealings in these securities are carried on through the organization of the Dominion Securities Corporation, whose Capital Stock is included in the next and most important item on the Balance Sheet, namely, "Bonds and Stocks Owned $4,495,921.12." The Capital Stock of the Dominion Securities Corporation constitutes the chief item under this head, the balance being made up of high-grade bonds and stocks all standing in the books at prices well within their market values. It is satisfactory to report that the business of the Dominion Securities Corporation has been the largest in volume in its history, while its profits have been most gratifying.

The fourth item in the statement of Assets, "Real Estate, $228,730.77," consists of the Company's Head Office and adjoining property in Toronto. This stands in the accounts at a valuation considerably below the market price of similarly located property, and will constantly appreciate in value.

These four items, together with $384,963.65 cash, make total assets of $8,143,485.29, against $7,905,847.72 at the end of the previous year—a gain of $237,637.57.

Turning to the other side of the Balance Sheet, the Liabilities to the public are divided into three classes, "Deposits," "Debentures payable in Canada" and "Debentures payable in Great Britain." It is pleasing to note that after providing for maturing debentures, both currency and sterling, there is a net increase in our total Liabilities to the public of $179,025.42, the aggregate now being $5,434,024.15. The Company's total assets and subscribed but uncalled Capital, now amount to $9,143,485.29, as against the above $5,434,024.15 entrusted to us by the public, showing a surplus of $3,709,461.14 for the protection of our depositors and debenture holders.

The Company's Paid-Up Capital stock remains the same at $1,500,000, while the Reserve Fund, as already stated, has been increased by $50,000, and is now $1,150,000.

We have had the pleasure of a visit this year from Mr. J. M. Mackechnie, of the firm of Messrs. Finlayson, Auld & Mackechnie, of Glasgow—Chief Agents in Great Britain for the sale of our sterling debentures. Mr. Mackechnie made an extended tour of the country and was most favorably impressed with the general progress and development. He was fully assured as to the future of the Dominion as a safe and profitable field for British investors and thoroughly satisfied with the present position and future prospects of the Company.

It is but fair to give due credit for these highly satisfactory results to the officers and staff, who have been faithful, active and efficient in the discharge of the duties devolving upon them.

With this brief review of the Company's position and affairs, I beg to move the adoption of the Report.

Mr. E. R. Wood, the Vice-President, in seconding the Resolution, gave a general review of the financial situation in the Dominion and the influences which have affected the Bond Market during the past year.

DIRECTORS—The following gentlemen were elected as Directors for the ensuing year: Honorable Geo. A. Cox, Sir Thomas W. Taylor, Honorable Robert Jaffray and Messrs. Richard Hall, William Mackenzie, Chester D. Massey, J. J. Kenny, F. C. Taylor, J. H. Housser, E. R. Wood, E. W. Cox, G. A. Morrow and H. C. Cox.

The meeting then adjourned.

At a subsequent meeting of the Directors the following Officers were elected: President, Honorable Geo. A. Cox; Vice-President, E. R. Wood.

THE BANK OF TORONTO

REPORT OF THE

Fifty-Third Annual General Meeting

The Fifty-third Annual Meeting of The Bank of Toronto was held at their Banking House on Wellington Street, Toronto, on 13th January, 1909.

The President, Mr. W. H. Beatty, took the Chair. Mr. Joseph Henderson, the Assistant General Manager, was requested to act as Secretary, and Messrs. E. M. Chadwick and George R. Hargraft were appointed Scrutineers.

Upon request the Secretary then read the following Report:

The Directors of The Bank of Toronto beg to present herewith their Report for the year ending 30th November, 1908, accompanied by a Statement of the affairs of the Bank.

PROFIT AND LOSS ACCOUNT.

The Balance at credit of Profit and Loss, on 30th November, 1907, was		150 708 85
The Net Profits for the year, after making full provision for all bad and doubtful debts, and deducting expenses, interest accrued on deposits, and rebate on current discounts, amounted to the sum of		582,156 00
		$732,864 85
This sum has been appropriated as follows:		
Dividend No. 106, Two and one-half per cent	$100,000 00	
Dividend No. 107, Two and one-half per cent	100,000 00	
Dividend No. 108, Two and one-half per cent	100,000 00	
Dividend No. 109, Two and one-half per cent	100,000 00	
		$400,000 00
Transferred to Officers' Pension Fund		10,000 00
Written off Bank Premises		95,813 98
Carried forward to next year		227,050 87
		$732,864 85

Owing to unsettled financial conditions a policy of conservatism has been general throughout the country, and the year may be characterized as having been one of retrenchment and liquidation.

This has been beneficial to the best interests of the community, and there are evidences of a gradual return to more prosperous conditions.

Branches of the Bank have been opened at Havelock and Wyoming, where the business of the Sovereign Bank of Canada was taken over, and six of the smaller branches of this Bank have been closed during the year.

The sum of $95,813.98 has been written off Bank Premises Account, reducing that account to $800,000.

The surplus profits of the year have been added to the balance of Profit and Loss Account, which now amounts to $227,050.87.

All of which is respectfully submitted.

W. H. BEATTY,
President.

GENERAL STATEMENT

30th November, 1908

LIABILITIES.

Notes in Circulation		$ 3,674,244 00
Deposits bearing interest	$22,855,752 30	
Deposits not bearing interest	4,024,052 86	
		26,879,805 16
Balances due to other Banks		227,106 05
Quarterly Dividend, payable 1st December, 1908	100,000 00	
Dividends unpaid	1,698 40	
		101,698 40
		$30,882,853 61
Capital paid up	$ 4,000,000 00	
Rest	4,500,000 00	
Interest Accrued on Deposit Receipts and Rebate on Notes Discounted	145,700 00	
Balance of Profit and Loss Account carried forward	227,050 87	
		8,872,750 87
		$39,755,604 48

ASSETS.

Gold and Silver Coin on hand	$ 715,358 36		
Dominion Notes on hand	3,919,297.00		
		$4,634,655 36	
Notes of and Cheques on other Banks		1,251,631 50	
Balances due from other Banks		1,657,028 51	
Deposit with Dominion Government for security of Note Circulation		160,000 00	
Government, Municipal, Railway and other Debentures and Stocks		2,358,529 83	
Call and Short Loans on Stocks and Bonds		1,597,429 38	
			$11,659,274 58
Loans and Bills Discounted		$26,688,230 06	
Loans to other Banks secured		597,246 00	
Overdue Debts (estimated loss provided for)		10,853 84	
			27,296,329 90
Bank Premises			800,000 00
			$39,755,604 48

D. COULSON,
General Manager.

Toronto, 30th November, 1908.

The Report was adopted, and the following were elected Directors for the year: William H. Beatty, William G. Gooderham, Robert Reford, Hon. Charles S. Hyman, Robert Meighen, William Stone, John Macdonald, Lieut.-Col. A. E. Gooderham, Nicholas Bawlf, Duncan Coulson.

At a meeting of the new Board, Mr. William H. Beatty was unanimously re-elected President, and Mr. William G. Gooderham, Vice-President.

THE TRADERS BANK.

Profits Well Up to the Mark, Being Over Half a Million.

The Traders Bank is one of the most notable examples of an institution which has expanded along progressive but sound lines. It is the youngest of the big banks, and being an Ontario institution largely, its success is indicative of the expansive material prosperity which has attended upon the premier province of the Dominion.

Like other institutions, the Traders Bank has suffered a slight diminution in profits, but the reduction is trifling and especially when it is remembered that last year the profits reached a new high record. The figure for 1908 is $500,217 as against $522 822 in 1907, being 11.49 per cent. as against 12.03 per cent. The deposits have increased over $2,000,000, being now $25,385,117. The profit and loss account is as follows:

Net profits after all provisions	$500,217
Premium on new stock	100
Balance from last year	25,364
Total	$525,681
Appropriated as follows:—	
Dividends 7 per cent.	$304,699
Written off bank premises	20,000
Officers' pension fund	5.000
Officers' guarantee fund	5 000
Balance forward	190 982
	$525.681

The great increase in the balance forward is very noticeable.

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OTHER FINANCIAL
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THE BANK of HAMILTON

Head Office, HAMILTON

Capital Paid-up	$2,500,000
Reserve Fund	2,500,000
Total Assets, over	30,000,000

Hon. Wm. Gibson, President
J. Turnbull, Vice-Pres. and Gen. Manager.

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Fullest Information furnished regarding matters of a financial nature relating to the Maritime Provinces of Canada.

Correspondence Solicited.

115
68
25
50

80
115
115
780
260

DECEMBER BANK CLEARINGS.

The bank clearings for the month of December show a highly improved appearance and the gain of 17.3 per cent. is the largest change of the year. The figures are as follows:

	Dec., 1908.	Dec., 1907.		Changes.
Montreal	$140,666,048	$124,877,033	+	$15,789,015
Toronto	123,219,609	98,909,859	+	24,309 750
Winnipeg	75,601,239	59,182,117	+	16,419,122
Halifax	7,904,703	7,954,778	—	50,075
Hamilton	7,043,270	7,144,172	—	100 902
St. John	6,263,108	5,397,774	+	865,334
Vancouver	18,320,904	15,694,611	+	2,626,293
Victoria*	4,939,071	4,361,242	+	577,829
Quebec	10 394,098	9,951,328	+	442,770
Ottawa	13,145,606	13,419,217	—	273,611
London	5,405,061	5,618,955	—	213,894
Edmonton	4,100,320	3,708,015	+	392,305
Calgary	7,595,118	5,821,654	+	1,773 464
Total	$$424,598,155	$362,040,755	+	$62,557,400

*Week ending Tuesday.

Bank Notes

Mr. R. G. Sare, accountant of the Merchants Bank at Quebec, has been promoted to the position of manager at St. Jerome, P.Q.

Mr. C. S. Watson has been appointed manager of the Imperial Bank at North Bay, and Mr. J. Macklem becomes manager of the Niagara-on-the-Lake branch in his place.

The Bank of France declared a dividend of 80 francs for the second half of 1908, compared with 90 francs for the last half of 1907, the total dividend for the year being 160 per cent, compared with 175 per cent. last year.

Mr. J. A. Walker, manager of the Traders' Bank at Bridgeburg, Ont., has been promoted to the charge of the Calgary branch. His successor is Mr. J. A. Steele, of the Ayton branch.

The following appointments have been made in the Bank of Commerce: Mr. H. W. Marling, to be manager at Gilbert Plains; Mr. J. H. Dent to be manager at Lashburn: Mr. C. A. Mercer, accountant at Moose Jaw, to be manager at Outlook; Mr. R. M. Saunders to be manager at Rivers; Mr. A. L. Jansen to be manager at Wadena.

Mr. H. C. Scholfield, the manager of the Dominion Bank of Guelph, who has built up an excellent business during his ten years' service there, has resigned, his resignation to take effect Feb. 1st. After a trip on the continent for three months, Mr. Scholfield will reside in Toronto, where he has accepted an important appointment. He was president of the Board of Trade in Guelph, and his prospective departure is much regretted by the people of Guelph, as well as by the authorities of the bank in Toronto.

THE MONEY MARKET.

Bank of England Increases Its Rate to Three Per Cent.—Markets Not Affected.

An increase in the Bank of England minimum discount rate from 2½ to 3 per cent. took place on January 14th. It was expected and did not affect the stock markets. The advance is primarily due to the shipment of nearly $100,000,000 of gold from London to Paris during the past five months. As the South African shipments were laid down weekly in London, they were largely taken for foreign accounts, and with trade slackening so greatly in England the money was not required at home. Paris has been making continual demands for gold latterly on account of the Russian loan. The financing of this latter item of $235,000,000, of which $150,000,000 is to meet maturing short term obligations, will have been accomplished in another week and it will then be probable that the Parisian demand will cease and the Bank of England's reserves will be built up. Indeed the process is already going on.

The immense demand of gold from Paris during the past year has not been alone for the Bank of France, as Prof. Mavor distinctively pointed out last week in his review of the year. Russia has been accumulating gold quietly for the past twenty years.

The bank's rate of 2½ per cent. has been in force since May 28th, 1908 an unusually long period without a change. At this time last year the rate was 5 per cent. In so far as it may indicate a greater use of money for commercial purposes in Great Britain, and therefore an improvement in British trade, the increase is to be welcomed.

The following figures indicate the position of the Bank of England with comparisons as of Jan. 14th, with monetary rates on that date elsewhere:

		Increase.
Reserve	£21,013,000	£1,022,000
Circulation	29,094,000	* 538,000
Bullion	31,636,183	483,547
Other securities	30,180,000	*5,017,000
Public deposits	5,661,000	*1,890 000
Other deposits	42,879,000	*4,437 000
Notes reserved	19,610,000	1,043 000
Govt. securities	15,700,000	*2,290,000

*Decrease.

Items in the list compare as follows with one year ago:—

	1909.	1908.
Reserve	£21,013,000	£25,868,000
Circulation	29,094,000	28,374,000
Bullion	31,656,183	35,791 428
Other securities	30,180,000	26,929,000
Public deposits	5,661,000	4,475,000
Other deposits	42,879,000	44 067,000
Notes reserved	19,610,000	24,796 000
Govt. securities	15,700,000	[illegible]

The proportion of the bank reserves to liability, and the rate of discount at this time for five years:—

	Prop. of res. p.c.	Rate p.c.
This week	43.26	3
Last week	36.42	2½
January 16, 1908	52.69	5
January 17, 1907	45.30	5
January 18, 1906	42.89	4
January 19, 1905	46.79	3

Canada.—Call money 4 to 4½ per cent.; time money, 4½ to 5 per cent; commercial bills, 5½ to 6 per cent.

The banks in Montreal were offering money at call at 4 per cent.; Toronto rate 4½ per cent.

New York.—Call money, 1¾ per cent.; 60 day loans, 2¾ per cent.; 3 months, 2¾ to 3 per cent.; 6 months, 3 to 3¼ per cent.; commercial paper, 3¾ to 4 per cent.

London.—Bank of England rate, 3 per cent; call loans, 2 to 2½ per cent.; discounts short bills, 2⅝ to 2¾ per cent.

The Bank of Bengal raised its rate of discount from 6 to 7 per cent.

Imperial Bank of Canada

IMPERIAL BANK OF CANADA HEAD OFFICE TORONTO.

DIVIDEND No. 74

Notice is hereby given that a Dividend at the rate of eleven per cent. (11 p.c.) per annum upon the paid-up Capital Stock of this institution has been declared for the three months ending 31st January, 1909, and that the same will be payable at the Head Office and Branches on and after

Monday, the 1st day of February next.

The Transfer Books will be closed from the 18th to the 30th January, both days inclusive.
By order of the Board

D. R. WILKIE, General Manager.
Toronto, Ont., 23rd December, 1908.

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CAPITAL $1.000.000. RESERVE $500.000.

ACTS AS EXECUTOR and TRUSTEE—Wills appointing this Company are kept in our Safety Deposit Vaults free of charge. Our Safety Deposit Vaults are the finest in Canada. Call and see them. If you wish to buy, sell or rent property communicate with our Real Estate Department. 3½% Interest allowed on daily balance of Savings Account.

Sterling Exchange, New York, demand 4.87 25-32, 60 days, 4.85⅛.

Consols, London, 83½.

Bar silver, London, 24¼d. New York, 52⅛c per ounce.

Copper, 14⅜ to 14⅝c a pound in New York.

Wheat, Winnipeg, cash, No. 1 Northern, 99¾c; May option, 1.01¾c; Chicago, 1.06.

The Massey-Harris Company, manufacturers of agricultural implements, will increase their capital from $8,000,000 to $10,000,000 on February 1st. The new stock will be subscribed for by the existing holders.

Mr. F. B. McCurdy points out that three Lower Province companies increased dividends in 1908. The Acadia Sugar Refining paid 4 per cent. on its common, against 3 per cent. in 1907; the Halifax Fire Insurance advanced its rate from 5 to 6 per cent., and the Bank of New Brunswick now pays 13 per cent., instead of 12. A few dividends have been passed—the Nova Scotia Steel passing the dividend on its common stock, and the Robb Engineering its dividend on the preferred stock.

The remaining High School debentures of Prince Albert, amounting to $40,000, bearing 5½ per cent. interest, 30-year instalments, were sold to the Imperial Bank for 108.

STERLING BANK OF CANADA

DIVIDEND NO. 8.

Notice is hereby given that a dividend of one and one-quarter per cent. (1¼ per cent.) for the quarter ending 30th January, instant (being at the rate of five per cent. (5 per cent.) per annum on the paid-up Capital Stock of the Bank) has been declared, and that the same will be payable at the Head Office and Branches of the Bank on and after the 15th day of February next. The Transfer Books will be closed from the 20th January to the 30th January, both days inclusive.

F. W. BROUGHALL,
General Manager.
Toronto, 12th January, 1909.

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4-$\frac{5}{8}$%
Maturing End of Thirty Years
Payable at Toronto and Montreal
Particulars Furnished on Application.
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NEEDS OF INVESTORS
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Upon advice as to rate of interest and class of security required, we shall be pleased to furnish lists of attractive bonds or shares.
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BOND DEPARTMENT

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It seeks to be very accurately compiled and convenient. The Financial Post makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of any contemplated bond issues.

BOND CALENDAR.

By-laws to be Voted on.

January 30, Wolseley, Sask. — The ratepayers will vote on a by-law to issue $18,000 5½ per cent. 15 annual instalments debentures as a loan to the Central Light & Power Co. J. A. Hill, Sec. Treas.

Election Results.

The following are the results of some of the recent municipal elections:

Barrie, Ont.—The by-law to issue $12,000 for electric light purposes was carried on Jan. 4 by a large majority, but the by-laws for $2,000 and $11,000 respectively for parks purposes were defeated. C. Donnell, Town Clerk.

Brantford, Ont.—The following by-laws have been defeated: $5,000 for a nurses' home in connection with the John H. Stratford Hospital; to issue $100,000 debentures for a new Collegiate Institute. H. F. Leonard, City Clerk.

Elora, Ont.—The by-law in favor of a free public library was carried on Jan. 4.

East Whitby.—The county roads by-law has been defeated.

Galt, Ont.—The following by-laws were defeated: to issue $10,000 debentures for street improvements, and $30,000 to buy park lands. J. McCartney, Town Clerk.

Hespeler, Ont.—The by-law to purchase land for a public park at a cost of $2,500 has been defeated. Winfield Brewster, Town Clerk.

Kingston, Ont.—A by-law has been carried to grant the Wormworth Piano Co. $10,000, while the by-law asking for $20,000 for street improvements was defeated.

London, Ont.—The by-law to issue $5,000 for a consumptive hospital was carried, but the following were defeated: $6,000 for free swimming baths, and the water by-law. S. Baker, City Clerk.

Markham, Ont.—A by-law was carried to fix the assessment on the woolen mills at $1,000 for ten years.

Marmora, Ont.—A by-law has been carried to issue $5,000 as a guarantee loan to the stave factory.

Milton, Ont.—A by-law has been carried to guarantee the bonus of the P. L. Robertson Mfg. Co. to the extent of $10,000 for ten years, and to pay the interest thereon. R. Coates, Clerk.

Mount Forest, Ont.—The by-law to establish a free library was carried.

Niagara Falls, Ont.—The following by-laws were carried: $3,000 for a site for an armory; $8,000 for fire halls, and $2,000 for a site for the Carnegie Library. W. J. Seymour, Clerk.

Oshawa, Ont.—The by-law to erect a $20,000 high school, carried. Thomas Morris, Town Clerk.

Peterboro, Ont.—The following by-laws have been defeated: $30,000 to purchase Exhibition Park; $49,000 for Smith Street bridge; $21,500 for street extensions already made.

Pickering, Ont.—The good roads by-law has been defeated.

Port Arthur, Ont.—The following by-laws have been carried: to issue $28,500 electric railway debentures; $6,712 street grading debentures; $25,000 for further development of Current River power. J. McLeigue, City Clerk.

Port Elgin, Ont.—A by-law to issue debentures for $3,000 for waterworks extension has been defeated.

Port Stanley, Ont.—The by-law to loan the plough works $20,000 was defeated.

St. Thomas.—The by-law to issue $40,000 sewerage debentures was carried. W. R. Doherty, City Clerk.

Township of Ripley, Ont.—A by-law has been carried to raise $3,500 for a new township hall.

Waterloo, Ont.—Three by-laws: $15,000 for a ward school; $5,000 for road improvement, and $3,000 for an isolation hospital were carried. A. McBride, Town Clerk.

Welland, Ont.—The by-law to issue $15,000 for a new public school was defeated.

Tenders Wanted.

January 26, Quebec, Que. — Tenders will be received for $750,000 4 per cent. 25 year debentures. H. T. Machin, Asst. Provincial Treasurer.

February 1, Notre Dame de Grace Que.—Tenders will be received for $50,000 4½ per cent. 40 year debentures, with sinking fund. Interest payable half yearly. L. DesCarries, Sec. Treas.

CANADIAN FIGURES.

Excise revenue accrued during the fiscal year ended 31st March, 1908:

Excise taxes	$16,068,171

The excise figures as shown on page 350 of the Year Book represent the amounts paid to the Receiver-General, while those given for 1908 are amounts accrued.

Fiscal year ended 31st March 1908:

Revenue	$ 96,054,506
Expenditure	76,641,452
Surplus	$ 19,413,054
Total debt	$408,207,158
Assets	130,246,298
Net debt	$277,960,860

Post office receipts and expenditures for year ended 31st March, 1908:

Net revenue	$ 7,107,756
Expenditure	6 005,929

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Dividends in 1909

A question in which speculators and investors alike are keenly interested is this: What will be the record of 1909 as regards dividend payments? Of course, speaking broadly, the matter of the dividends is bound up, to a considerable extent, with that of the profits, and it is commonly understood, that owing to the depression, the outlook for profits is rather dubious in some directions. But for all that the prospect is not without its bright side; indeed, it might be said that in one or two quarters the view is quite rosy with promise.

Railroads.

Taking the railroads first, one cannot say that the holders of the shares are very sanguine on the point of receiving extra or increased distributions in 1909. Canadian Pacific the premier road, is assuredly showing up well in gross increases; but net earnings so far are not comparing favorably with those of railroads in the Western and Middle States. The matter of the expenses during the winter is problematical—depending on the snowfall and severity of the weather. And it is an open question how long the stimulus administered by the West's wheat crop will last. As for the Grand Trunk, the holders of its securities will doubtless be satisfied, under the circumstances, if the present distribution is maintained.

Tractions and Power.

Proceeding to the street railways, though their gross earnings continue to show the steady proportional increases that have always characterized them, the appreciating action of the shares in the market does not indicate that the "street" has any very firm confidence that dividends will be raised in the immediate future but that they have an improving outlook.

Particular issues of the other public utilities have recently ruled, shows—Montreal Power notably—an increased dividend is fully expected in that quarter. It is to be remembered, however, that the stock is susceptible to manipulation, and it would hardly be safe to assume too much from its buoyant behavior. That particular stock would be in a greater favor with investors if the relations of the company with the City of Montreal were in a more satisfactory shape.

The Industrials.

Turning to the industrials the outlook is mixed. Holders of Dominion Iron and Steel preferred quite possibly may get a big slice, if not all, of their accrued dividends—if the Privy Council decides flatly in the company's favor. On the score purely of working operations in 1909, the prospect does not favor increased dividend distributions by the Iron and Steel Companies.

Though the present economical mood of consumers may well continue to restrict the sales of the cotton manufacturing companies, they should benefit, on the other hand, from the comparatively cheap prices for their raw material. Possibly the known fact that the margin of profit is wider has had something to do with the recent strength in the various securities. In this quarter the belief seems to be strong that increased dividends may be seen in 1909.

The Milling Companies.

The holders, also, of the flour milling stocks appear to have a well-grounded confidence that their dividends will be put higher in the near future—possibly in 1909. This group is one that has not been materially affected by the trade depression. The millers have a big crop of good wheat to work on, and the prices of their finished product are considerably higher than they were a year ago. Hence the argument for better dividends.

The Cobalt Mines.

Probably the highest expectations of all are those held regarding the Cobalt mining stocks. In this section of the market an initial dividend at the rate of 10 per cent. per annum, or an increase of 10 per cent. per annum, is not thought at all extraordinary for a good stock. Holders of practically all the good shipping mines are counting on larger dividends in 1909; if they do not materialize grievous disappointment will be felt. Provided the output of the camp comes anywhere near the $20,000,000 predicted it is a practical certainty that some large increases will be made in dividend payments. It is so because so large a percentage of the output of the mines consists of profit.

The Bank Returns.

Coming finally to the chartered banks, it has been pointed out in preceding issues of The Financial Post that the outlook for profits is not so good, generally, as it has been in the several past years. Also the bank reports show a lower range of earnings. In spite of this one very conservative and strong little concern—the Bank of New Brunswick—has raised its dividend from 12 to 13 per cent. per annum. As it commonly earns 18 or 19 per cent. on its capital, the 1909 profits would need to fall quite materially to jeopardize the new dividend. Nearly all the other good banks, even with the reduced earnings of the current year, show profits far in excess of their present rates of dividend. Many of them could, if they felt disposed, distribute a higher dividend in 1909. In regard to one or two, whose dividends are at an odd figure, such as 11 per cent., it is urged that an increase to a round or more symmetrical rate is certain within a very short time. Allowing for all this, it can yet be said that the Canadian bankers are a very careful and conservative class; and they are not likely to do much in the way of raising dividends on their stocks unless they have a fairly clear view of a period of improving profits ahead of them.

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Toronto, January 16, 1909.

THE BROADER QUESTION.

It seems an appropriate time for the members of the present Government of Ontario to consider very carefully the constitutional difficulties to which their present course of action is leading. We believe that the Provincial Cabinet, in a desire to serve the interests of the people, is conscientious and no cavil can be made that their intentions are not honest. In a desire, however, to secure temporary advantages it has overstepped probably unwittingly the broader limits of constitutional equity. It has departed in an effort to secure material advantage from basic principles, the infringement of which will lead in the end to greater detriment. A perusal of the special features of last week's review number, especially Mr. E. R. Hood's paper on bonds, will indicate how absolutely dependent this country must be for many years upon capital supplied from beyond its borders. Already we have obtained the colossal sum of nearly $1,000,000,000. Upon the Government of the leading province of this Dominion there rests, therefore, a very grave responsibility, lest by any act of oppression or sharp practice it disturbs the very delicate hair-spring of credit which moves capital from without to within our borders.

To cite an example—the Ontario Government is perhaps taking credit to itself for its policy in regard to disputed titles of mining claims in the Cobalt district. When a dispute has arisen it has been this Government's policy to give title in return for a percentage of the output. As between individuals such a course might be considered "good business." In a Government it involves the abrogation of the legal rights of some contending party and signifies that the Cabinet for the time abrogates to itself a power that is subversive of the action of the courts. No mere million of dollars secured for a mining claim is sufficient to compensate for the wider and real, though less immediately ostensible damage done by the disregard of rights which have been coeval with Magna Charta and the existence of the British constitution.

These are the general principles which doubtless inspired a Canadian correspondent from whom a very thoughtful article appears in the London Morning Post of December 15th, 1908, in reference to the Florence Mining Company's action to establish title to the Cobalt Lake mine, and which has been deprived of its chose in action by a statute of the Ontario Legislature. There is so much food for thought by intellectual people that we reprint the article in full:

"Canadians have followed with keen interest the development of British institutions in South Africa, and this interest has been greatly accentuated by the letter from General Botha, read by Sir Wilfrid Laurier at the Quebec Tercentenary celebrations.

"Unification, urged in South Africa as an alternative for federation, corresponds largely to the legislative union advocated by the late Sir John Macdonald in Canada. Here the Federalists vailed and the British North America Act was passed by the Imperial Parliament to carry out the compact between the provinces which originally joined the Canadian Confederation. It is thought to avoid in Canada the anticipated difficulties in connection with the establishment of provincial sovereignties by retaining a certain amount of Federal control in the form of a right by the Federal authorities to disallow local legislation. This power of disallowance has been a matter of keen political controversy in Canada, and since the agitation led by Sir Oliver Mowat, when Prime Minister of Ontario, for 'provincial rights,' the Federal authorities have been more and more reluctant to interfere with objectionable local legislation.

"The present position is indicated by a report made by Mr. A. B. Aylesworth, Minister of Justice, and recently adopted by the Governor-General-in-Council, holding that a statute passed by the Ontario Legislature, though it involved 'confiscation of property without compensation and an abuse of legislative power,' should not be disallowed, but left to such operations as may lawfully be given to it. This statute was subsequently challenged in the courts. The court held that the legislation attacked was 'intended to bar the claim' of the plaintiffs in the action. While the eminent judge before whom the case came for trial found certain facts in favor of the plaintiffs, he decided that he could not read the ex post facto statute as 'meaning anything less than that the plaintiffs are not to have any rights in the property.' The two following quotations sufficiently indicate the strong view of the court as to the confiscatory statute of the Ontario Legislature. He said that 'the Legislature within its jurisdiction can do everything not naturally impossible and is restrained by no rule human or divine,' and further on the expression 'the prohibition "Thou Shalt Not Steal" has no legal force upon the sovereign body.'

The whole matter is the subject of considerable discussion. One writer points out in a very able article in the current number of the Canada Law Journal that 'the numerous judgments recently given which uphold the doctrine that there is no appeal from the action of a Provincial Legislature so long as it confines itself to subjects committed to it by the British North America Act have created a widespread feeling of alarm among men concerned with financial affairs. The well-grounded idea that the rights of property are less secure in Canada than in the United States and in Great Britain, or as one eminent financier puts it, than even in Mexico, is not calculated to encourage the flow of capital to this country. On the contrary, it puts us at a decided disadvantage as regards every kind of investment and industrial enterprise. The capitalist looking for investment sees that in the United States State Legislatures are not allowed to make or enforce any law which shall prejudice the privileges or immunities of the citizens of the United States, nor shall any State deprive any person of life, liberty or property without due process of law, nor deny to any person within its jurisdiction the protection of the laws. Coming to this country he finds that the courts have concluded, contrary to the plain intention of the framers of our constitution, that, in dealing with the rights of property, concerning which they have exclusive jurisdiction, our provincial legislators are not bound to regard either the provisions of Magna Charta or that still earlier code the Ten Commandments.' The amendment of the Canadian constitution is strongly advocated on the ground that Canadians cannot remain content 'with the knowledge that the rights of property may be set aside, the stability of contracts interfered with, and the security of commercial enterprises attacked without compensation being awarded by a body which, it is alleged, has shown so little regard for such obligations and is so ill-qualified to deal with them as our Provincial Assembly.'

"Canadian experience has, therefore, justified the conclusions of Alexander Hamilton, whose insight into the workings of representative institutions can fairly be said to amount to genius. Absolute legislative power over property cannot be safely entrusted to a legislative body, especially when it consists of only one chamber. Canadian experience also shows that the only effective check is to clothe the courts with judicial authority to declare void all legislation which impairs the obligation of contracts or attempts to confiscate private property without just compensation."

The Council of the Canadian Manufacturers' Association discussed the same subject at their December meeting and made the following recommendation:

"Pending the appeal to the Privy Council in the above case no action need be taken, but your committee are strongly of the opinion that should the Privy Council uphold the action of the Ontario Legislature, prompt measures should be taken to provide a remedy, even though it required an amendment to the B. N. A. Act."

MR. WALKER'S REVIEW.

The annual review of Mr. Byron E. Walker, of financial, commercial and industrial conditions is the most comprehensive of the banking year. As the head of an institution which has nearly 200 branches in Canada and offices in the eastern, western, southern and Pacific centres of the United States, and a branch in London, the president is in an exceptional position to gather the facts. His intellectual outlook and broad grasp of the significance of materials, result in a most illuminating expression. It is a document which is always most worthy of being filed for future reference. A careful perusal of it in the annual report of the Canadian Bank of Commerce which appears elsewhere well repays anyone interested in the development of Canada.

In his opening remarks Mr. Walker suggests that Canada in its good fortune of enjoying an abundant harvest may not have suffered sufficiently to learn the full lesson taught by the recent depression. A glance at our trade returns indicates that with our exports increasing and our imports diminishing we are improving our status and the trend of these figures in the next few months will have an important bearing. Thus far we have been able in Canada to offset the balance of trade which is against us by the ease with which we have been able to market our securities abroad.

In surveying the conditions in this country by Provinces we venture to summarize the heads of Mr. Walker's points as follows:

Maritime Provinces.—Moderate progress, with harvest above the average, and prices good. Fish catch large, but prices poor; lumber prices slaughtered; even with a small cut, but improvement is now evident; coal and steel production larger in spite of the general depression.

Ontario and Quebec.—Crops were a fair average in Ontario but below the average in Quebec, drought affected hay and fodder crops, and dairy exports; apple export smaller. It is regrettable that Ontario farmers have latterly paid less attention to hog raising and opened an opportunity to our chief competitor, the Dane. Manufacturing, which suffered considerably, is now improving. Cobalt and our new silver districts are adding to our wealth, and the outlook for an appreciation in silver prices is good.

Western Provinces — A satisfactory year; estimate of the crops. The hope is expressed that the higher branches of farming will be more developed. The year was exceptionally good in the cattle trade. Interesting figures are given showing the wonderful growth of the West.

British Columbia.—The timber wealth is so great that proper forestry regulations are essential to its adequate preservation. In spite of the drop in copper the mining and smelting industries of the boundary district have been profitably employed. As a result of the Fernie fire the coal output was only slightly reduced. The possibilities of the new mining areas in Northern British Columbia are considerable.

United States.—The situation reviewed with special reference to the Pacific slope. The hope is expressed that the banking and currency machinery of the U.S. will be improved as a result of the action of the Currency Commission.

CALL LOANS ABROAD.

In his address at the annual meeting of the Canadian Bank of Commerce Mr. Alexander Laird, the general manager, took occasion to deal with the question of Canadian banks holding a portion of their reserves in call loans abroad. Mr. Laird has dealt with this subject which has been much misunderstood, in so clear and succinct a manner that it is needless to enlarge upon his conclusions, which are unanswerable. We can only commend our readers to a careful perusal of his remarks if they desire to arrive at a complete understanding of this point, which has caused much unintelligent comment hitherto.

BANKING POLITICS.

A Toronto daily newspaper remarked the other day that probably no new banks would be started in Canada for the next twenty years, and that unless the existing banks abused their monopoly they would likely have the field to themselves for all that time.

It is quite easy to see how a certain line of banking conduct might result in depriving the banks of much of this prospective advantage of theirs in the period on which they are entering. For example, among the corporations doing business in the United States there is a type of institution which greedily avails itself of every vantage allowed by the law or permitted by chance and circumstance, utterly regardless of injuries inflicted or of feelings of disgust and hatred which are thus stirred up. Whatever these corporation-managers find themselves able to charge and take they charge and take; and when their victims protest their reply savors too often of the figurative placing of fingers to nose. The statute book lies before them; the most expert legal talent is at their service to guide them through the law's mazes; they know what they may do and what they may not. Of statesmanship or of higher intelligence they appear to have little or none; it never seems to occur to them that to-morrow the laws may be changed, and that their brutal selfishness of to-day is a main factor in forging the chains that will bind and hamper them in the future.

There is a certain element in Canadian public opinion, but it is not large or important, which believes that the Canadian banks are monsters of the above-described type. The speakers and writers composing it love to picture the banks as preying on industry and commerce as hyenas prey on abandoned carcases. Whenever it is possible they hasten to impute unworthy motives to the actions of the bankers. Now that it is becoming recognized that it is difficult or impossible to start a new bank, these people will be more than ever on the alert for grievances. The bankers will also be more than ever subject to critical observation by the great mass of the public occupying neutral ground or perhaps biassed in their favor. The coming decade is altogether likely to be one in which every once in awhile an amalgamation is announced. The number of banks in the list of the Government statement is apt to show a slow but steady decrease as the years roll by. In point of size of assets and in number of branches the great banks are bound to grow with considerable rapidity. With their numbers decreasing, the power and wealth of individual institutions rapidly increasing, it is going to be ever a more difficult problem for the banks to combat the "monopoly" argument.

In regard to the banking policy in Canada, in recent years at any rate, it

Railroad and Street Railway Earnings

GROSS EARNINGS

—	Week ending	1908	1907	Changes		From date mentioned to the last week for which earnings have been reported.				
						Date	1908	1907	Changes	
Canadian Northern..	Dec. 31	254,600 00	235,900 00	+	18,700 00	July 1	5,635,100 00	5,307,900 00	+	327,200 00
Canadian Northern..	Jan. 7	145,300 00	141,200 00	+	4,100 00	July 1	5,780,400 00	5,449,100 00	+	331,300 00
Canadian Pacific....	Dec. 31	2,210,000 00	1,974,000 00	+	236,000 00	July 1	40,140,000 00	40,351,000 00	–	211,000 00
Canadian Pacific....	Jan. 7	1,098,000 00	1,077,000 00	+	21,000 00	July 1	41,238,000 00	41,428 00 00	–	190,000 00
Duluth, S.S. & Atl...	Dec. 31	69,013 00	71,769 00	–	2,756 00	July 1	1,427,265 00	1,773,483 00	–	346,218 00
Duluth, S.S. & Atl...	Jan. 7	41,835 00	42,708 00	–	873 00	July 1	1,469,100 00	1,816,191 00	–	347,091 00
Grand Trunk System	Dec. 31	1,025,967 00	1,173,885 00	–	147,918 00	July 1	20,116,035 00	22,919,994 00	–	2,803,959 00
Grand Trunk System	Jan. 7	536,240 00	667,238 00	–	130,998 00	......	......	......		......
M.,St.P.& S.M.(Soo)	Dec. 31	239,165 96	230,795 58	+	8,370 38	July 1	7,005,715 22	6,589,252 44	+	416,462 78
M.,St, P& S.M.(Soo)	Jan. 7	159,171 00	166,973 00	–	7,802 00	July 1	7,164,886 00	6,756,225 00	+	408,661 00
Mineral Range	Dec. 31	20,759 00	17,435 00	+	3,324 00	July 1	429,650 00	421,818 00	+	7,832 00
Mineral Range	Jan. 7	12,759 00	12,296 00	+	463 00	Jan. 1	442,409 00	434,114 00	+	8,295 00
Detroit United... ...	Dec. 21	122,603 00	119,483 00	+	3,120 00	Jan. 1	6,834,543 00	6,860,527 00	–	25,984 00
Detroit United	Dec. 31	192,363 00	171,173 00	+	21,190 00	Jan. 1	7,067,484 00	7,068,112 00	–	628 00
Halifax Electric Tram	Dec, 31	5,435 16	5,047 88	+	387 28	Jan. 1	180,896 35	170,823 39	+	10,072 96
Halifax Electric Tram	Jan. 7	3,287 63	2,961 96	+	325 67	......	......	......		......
Havana Electric.....	Jan. 3	36,035 00	37,484 00	–	1,449 00	......	......	......		......
Havana Electric.....	Jan. 10	35,009 00	34,137 00	+	872 00	......	......	......		......
Montreal St. Ry.....	Jan. 7	67,371 70	64,072 96	+	3,298 74	......	......	......		......
N. Ohio T. & L. Co..	Jan. 2	31,337 53	27,356 78	+	3,980 75	......	......	......		......
N. Ohio T. & L. Co..	......	......	......		......	......	......	......		......
Toledo Railways....	Dec. 31	41,876 86	38,904 49	+	2,972 37	Jan. 1	1,353,602 51	1,407,152 98	–	53,550 47
Toledo Railways.. .	Jan. 7	25,848 89	25,289 28	+	559 61	......	......	......		......
Toronto Railway Co.	Dec. 31	104,509 57	94,708 87	+	9,800 70	Jan. 1	3,629,386 26	3,498,395 51	+	130,990 75
Toronto Railway Co.	Jan. 7	......	......		......	......	......	......		......
Twin City..........	Dec. 31	181,720 28	161,790 10	+	19,930 18	Jan. 1	6,333,296 56	6,020,541 64	+	312,754 92
Twin City..........	......	......	......		......	......	......	......		......

NET EARNINGS

—	November		Changes		Five months		Changes	
	1908	1907			1908	1907		
Duluth South Shore and Atlantic								
Gross....................	232,191 00	258,785 00	–	26,594 00	1,170,629 00	1,519,836 00	+	349,207 00
Expenses..................	158,755 00	197,446 00	–	38,691 00	823.925 00	1,104,291 00	–	280,366 00
Net	73,436 00	61,339 00	+	12,097 00	346,704 00	415,545 00	–	68,841 00
Other income...............	8,664 00	6,796 00	+	1,868 00	57,469 00	43,466 00	+	14,003 00
Total income	82,100 00	68,135 00	+	13,965 00	404,173 00	458,011 00	–	53,838 00
Charges, taxes, etc.	97,618 00	110,426 00	–	12,808 00	339,959 00	420,729 00	–	80,770 00
Deficit.....................	15,518 00	42,291 00	–	26,773 00	......	......		......
Surplus	......	......		......	64,214 00	37,282 00	+	26,932 00
Mineral Range								
Gross	66,326 00	68,873 00	–	2,547 00	362,503 00	359,241 00	+	3,262 00
Expenses..................	54,726 00	53,450 00	+	1,276 00	284,979 00	282,575 00	+	2,404 00
Net	11,600 00	15,423 00	–	3,623 00	77,524 00	76,666 00	+	858 00
Other income	1,421 00	1,421 00		......	1,510 00	2,923 00	–	1,413 00
Total Income	13,021 00	16,844 00	–	3,823 00	79,034 00	79,589 00	–	555 00
Charges....................	13,502 00	12,222 00	+	1,280 00	65,472 00	60,679 00	+	4,793 00
Deficit	481 00	......	+	......	......	......		......
Surplus....................	......	4,622 00	–	5,103 00	13,562 00	18,910 00	–	5,348 00
British Columbia Electric Ry. Co.								
Gross	202,378 00	180,851 00	+	21,527 00	937,589 00	814,290 00	+	123,299 00
Less working expenses.... ...	*124,621 00	84,054 00	+	40,567 00				
	77,757 00	96,797 00	–	19,040 00				
Renewal funds	14,443 00	10,750 00	+	3,693 00				
Net Earnings...............	63,314 00	86,047 00	–	22,733 00	433,074 00	407,476 00	+	25,598 00
Income from investments.....	13,550 00	11,036 00	+	2,514 00				
Net income.................	76,864 00	97,083 00	–	20,219 00				

* Includes $30,000 in respect of the estimated cost of the accident of Nov. 7th, 1908.

can, with justice, be said that it has been framed on mild and wise lines of statesmanship. Fanatics may not agree with this assertion, but the officials of the Government and fair-minded business men know that it is correct. Plenty of evidence could be adduced to support it. In the several crises of the past few years the bankers have had the most careful regard to preserve the country's fair name. That was one of the things they had in view when the respective institutions made themselves liable for the debts of the two important banks that got into trouble. During the stringency of 1907 they might easily have jacked up the commercial discount rate considerably higher, but their action on it was characterized by great moderation. In the panic itself they might have thrown millions of new money into Wall Street for lending at higher rates; but the statistics show that while the panic rates lasted they were pulling money out of New York; and the foreign call loans did not start to increase again till call rates had fallen and till it was plain that Canada had no need for the money.

There is every reason to suppose that in the use of banking powers and privileges during the next ten years mildness and forbearance will continue to be watchwords in the councils of the Bankers' Association. The commercial community is almost as deeply interested as the banks themselves in the continuance of the present privileges. In a special sense it is true of Canada that to shear privileges from the banks is to deprive their commercial borrowers and the people generally of much needed facilities, so the merchants and manufacturers are interested in the cultivation of a favorable public opinion regarding the banking conduct.

In connection with the reported recent moves by the Association, the abolishing of the quarterly payment of interest on savings deposits, has already been discussed. Quite probably there will not be the same unanimity amongst the bankers regarding the other reported change suggested at the same time—the abolishing of the open office on Saturday nights. There are many places where the Saturday night bank is a profitable institution, and where it confers a valuable service to the community. Where this is so valuable gains in deposits have been made by reason of the practice and the banks holding deposits will be slow to risk their loss through withdrawing the facilities. Then, some bankers will doubtless be of the opinion that the Saturday night institution is worth while for the part it plays in getting the goodwill of workingmen as a class. Others will think that generally the withdrawal of facilities of this kind, once established, is something that should not be hastily decided upon, because of the banking polities involved.

THE BANK OF TORONTO.

The Bank of Toronto held its fifty-third annual meeting on Thursday. In the words of the President, Mr. W. H. Beatty, the year was one of "retrenchment and liquidation, beneficial to the best interests of the community, and there are evidences of a gradual return to more prosperous conditions." The report presented has already been fully discussed in The Post, and its principal features commented upon. The Bank of Toronto is one of the most solid and conservative institutions in the country, and being now in its fifty-fourth year, has attained a prosperous age. The present general manager, Mr. Duncan Coulson, celebrated hs fiftieth year in the bank some two years ago, but his activity has the same energetic quality as when he first became general manager.

THE STANDARD EXCHANGE.

The week has been fairly quiet on the mining exchanges, but the trend of prices has been firm. On Friday the range on the Standard Mining Exchange was as follows:

	High	Low	Last Sale
Beaver Con.	25½	25	25
Chambers-Ferland	79½	78	78
City of Cobalt	2.44	2.42	2.42
Cobalt Central	53	50	52
Cobalt Lake	17½	17½	17½
Foster	50	50	50
Gifford	20½	20½	20½
Green Meehan	20	20	20
Kerr Lake	7.81¼	7.81¼	7.81¼
La Rose	6,45	6.40	6.45
Little Nipissing	40	38	38½
McKinley-Darragh-Savage	97	97	97
Nipissing	10.00	9.87½	10.00
Nova Scotia	61	60½	60½
Otisse	45	44	44
Peterson Lake	31	30½	31
Rochester	22½	22½	22½
Silver Leaf	14⅛	14⅛	14⅛
Silver Bar	59½	58½	59¼
Silver Queen	95	94	95
Temiskaming	1.62	1.60½	1.61
Trethewey	153½	1.51	1.52

FINANCIAL CALENDAR.

Week ending January 23,

Annual Meetings.

Jan. 18—Bank of New Brunswick.
Bank of Hamilton.
Jan. 20—Bank of Nova Scotia.
La Banque Provinciale.
United Empire Bank.
Jan. 21.—Dominion Oilcloth Co.
Toledo Rys. & Light Co.
Guarantee Co. of North Ammerica.
Jan. 22—Toronto Savings & Loan Co.

Dividends Payable.

Jan 20—Nipissing Mines Co., 3qx2.
Shawinigan Power Co., 1q.

THE BOND MARKET

Week ending Jan 15, 1909.

BONDS	Rate	1908		Closing		Sales Week Jan. 14
		High	Low	Asked	Bid	$
Bell Telephone Co.	5	104	98½		100	
Can. Colored Cotton Mills Co.	6	100	92	104	96	1,500
Commercial Cable Co.	4	87½	81¾			
Dominion Coal Co.	5	93	87		90	4,000
Dominion Cotton Mills Co.	6	100	91	100	98	1,000
Dominion Iron & Steel Co.	5	80¼	70½	81	79½	23,000
Dominion Textile Co., Series A	6	94	80½	96½	95	
Do. Do. Series B	6	96	83¼		96	
Do. Do. Series C	6	95	82	95	94½	14,500
Do. Do. Series D	6	96½	85	98		
Electrical Development Co.	5	88	70	86	85⅝	7,000
Halifax Electric Tramway Co.	5	100	97½		97	
Havana Electric Railway Co.	5	86	85			
Intercolonial Coal Co.	5					
Keewatin Flour Mills	6	105	98		100	
Lake of the Woods Milling Co.	6	107½	102½	108		
Laurentide Paper Co.	6	†112	104		110	
Mexican Electric Light Co.	5	90	73⅞	84	88⅜	
Mexican Light & Power Co.	5	90	80		88⅜	31,000
Montreal Light, Heat & Power Co.	4½	101	‡91¼	100		3,000
Montreal Street Railway Co.	4½	101	95¼	103	101¾	8,000
Nova Scotia Steel & Coal Co., 1st Mtg.	6	108¼	103		107	
Do. Do. Do. Cons. Mtg.	6	103½	99		102½	
Ogilvie Flour Mills Co.	6	113¼	105			
" " " Series B		106½	105			1,000
Price Bros. Co.	6	‡103	100½		105	
Rio de Janeiro Tramway, L. & P. Co.	5	92½	71¼	90		4,000
St. John Railway	5					
Sao Paulo Tramway, L. & P. Co.	5	99	90¾			
West India Electric Co.	5	86	80			
Windsor Hotel	4	‡93¼	‡87¾			
Winnipeg Elec. Street R'y. Co.	5½	106	99	105	100	
Montreal City, Stock	7					
Montreal City, Stock	4	98¾	95			

NEW YORK STOCK EXCHANGE

Range of Prices for Period Ending Friday, Jan. 15th.

—	Closing Jan. 8	Open Jan. 9	High.	Low.	Last.
Amalg. Copper Co.	83¼	83½	83¼	79¼	80
Am. Car & Foundry	49⅜	49⅝	49⅝	47⅜	48
Am. Locomotive Co.	56¾	57¼	57¼	55⅛	56
Am. Smelt. & Ref.	87¾	87¼	87¼	84⅛	83¾
Am. Sugar Ref. Co.	129	128	128½	127¼	128
Am. Tobacco Co., pfd.	93	93	93	92½	92⅞
Am. Woolen Co.	30½	30¼	30¼	27¾	30¼
Anaconda Cop. Min.	49	48¾	48¾	46¾	47⅛
At., Top. & S.F.	99⅞	100	100⅛	97⅝	99¼
Atlantic Coast Line	110¼	109½	109½	107½	109
Baltimore & Ohio	110⅝	110⅝	111¼	108¼	111
Brooklyn Rapid Transit	69⅜	68¼	71	67	68⅛
Canadian Pacific	176¾	176¾	177⅜	175	176⅛
Chesapeake & Ohio	58	57¾	58⅝	56¼	58½
Chicago Great Western	8⅝	8⅝	8⅝	7⅜	8
Chi., Mil. & St. Paul	149⅝	149¼	149⅜	146¾	148½
C., C. C. & St. Louis	70½	70½	70½	66¼	70
Ch., & Northwestern	178⅛	177½	177½	174	176
Colorado Fuel & Iron	42⅞	43	43	39½	40
Colorado & Southern	66½	65½	67	64½	66⅝
Consolidated Gas	127	126½	129½	126¼	127¾
Delaware & Hudson	179¼	178½	178½	176	176¾
Den. & Rio Grande	39	39½	39⅞	38	38¾
Dul., S.S. & At.	17½	17¼	21	17	19¾
Erie	32¾	32¼	32¼	28⅞	30¼
Erie, 2nd pf.	37	37	37	32	34¾
General Electric	157	156½	156½	153½	154½
Great Northern, pf.	146⅛	145⅝	145⅝	141¼	142¾
Illinois Central	145½	145½	145½	141¾	144⅜
Interb.-Metropolitan	16⅞	16½	16⅝	14¼	15¼
International Paper Co.	12¼	12⅛	12¼	12	12
Louisville & Nashville	125	124½	124½	122¼	124½
Mackay Companies	75½	75	75	75	75
Mackay Companies, pf.	70	69¾	70	69¾	70
Mexican Central, pf.	24	23¾	23¾	21½	22⅞
Minn. & St. Louis	62	62	62	58	58
M., St. P. & S.S.M.	147½	147½	148	143½	145
M., St. P. & S.S.M., pfd.	158	156⅞	156⅞	156½	156½
Mo., Kan. & Texas	43⅝	44	44	41¾	42¾
Missouri Pacific	71½	72⅛	72⅛	67¼	69½
New York Central	128⅜	128	130⅛	124¼	129⅛
N.Y., Ont. & Western	47¾	46¾	46⅞	45	46½
Norfolk & Western	86⅝	86⅞	88	85	87½
Northern Pacific	142¼	141½	143	138	139
Pennsylvania R.R.	133¾	133	133⅜	131½	132⅝
People's Gas, Chi.	103	103½	103½	101½	103
Pullman Company	178	178	172	170	170
Railway Steel Spring	47¾	46½	46½	46	46
Reading	141	141	141	135¾	136
Rep. Iron & Steel	25¾	25¾	25¾	24	25
Rock Island Co.	25⅞	25⅜	25¾	23⅝	24⅛
Rock Island, pf.	63	63	63¼	58½	58⅝
St. Louis Southwestern	23	23¼	23⅜	23	23
Sloss-Shef. Steel & Iron	78½	77	78	77	77½
Southern Pacific	119	118¾	119½	116⅜	119
Southern Railway	26⅝	26½	26½	25¼	25⅞
Texas & Pacific	36¼	36	36	33¾	34⅛
Union Pacific	180⅜	179¾	180	176⅜	178¼
U. S. Rubber	34⅛	33½	33½	32¼	33
U. S. Steel	53	52¾	52⅞	51⅛	51½
U. S. Steel, pf.	113¼	113¼	113⅜	112¼	113⅜
Wabash	19½	19¼	19¼	17¾	17⅞
Western Union Tel.	68¼	68¼	67¾	66⅝	67
Wisconsin Central, pf.	72⅛	72⅜	83½	71	81

UNLISTED SECURITIES

NAME	Stock Issued	Bonds and Pref. Stocks	Last Sale	Closing	
				Asked	Bid
Brit. Col. Packers' Ass'n. Com	1,511,400	$1,270,000			
Consolidated Rubber Bonds	2,805,000	1,980,000	86	90	89
Consolidated Rubber Stock, Pref.		2,600,000b	85		
Canada Cycle & Motor Co	800,000				
Dominion Iron & Steel, 2nd Mtg	20,000,000	2,178,000			88 & in
Dominion Park Bonds	400,000	250,000		85	
Illinois Traction Com	5,810,000	3,214,300			
Porto Rico Railways	3,000,000	b 2,800,000	35		34
Porto Rico Railway Bonds		b 2,800,000	80 & int.		78
Quebec Railway, L. & P. Co	2,500,000	b 2,500,000 672,400			25
Rogers, Wm. A., Com	750,000	900,999			
Rogers, Wm. A., Pref	900,000				
Standard Loan Co	1,125,000	b 600,000			
Sun & Hastings Savings & Loan Co	847,924	b 185,415			
Tri-City Railway & Light Co., Com	9,000,000	2,600,000			
Union Bank of Halifax	1,500,0				
Western Bank of Canada	555,0				
	d Debentures	b Bonds			

THIRTY-NINTH ANNUAL STATEMENT

—OF—

THE ROYAL BANK OF CANADA

Liabilities

To the Public:	Dec. 31, 1907.	Dec. 31, 1908.
Deposits bearing interest	$20,216,479.53	$24,300,726.66
Deposits not bearing interest	12,989,309.56	13,090,564.60
Interest accrued on Deposits	59,709.11	52,150.33
Total Deposits	$33,265,498.20	$37,443,441.59
Notes of the Bank in Circulation	3,653,910.65	3,556,432.65
Balances due to other Banks in Canada	156,508.45	133,102.61
Balances due to Agents in Great Britain	193,897.06	
Balances due to Agents in Foreign Countries	436,961.52	560,818.84
	$37,706,775.98	$41,693,795.69
To the Shareholders:		
Capital Paid-up	$ 3,900,000.00	$ 3,900,000.00
Reserve Fund	4,390,000.00	4,600,000.00
Dividend No. 81 (quarterly at 10 per cent.)	97,500.00	
Dividend No. 85 (quarterly at 10 per cent.)		97,500.00
Former Dividends unclaimed	312.61	230.00
Rebate on Bills Discounted, not yet due	100,000.00	100,000.00
Balance on Profits carried forward	156,909.76	78,685.26
	$46,351,498.35	$50,470,210.95

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Assets

	Dec. 31, 1907.	Dec. 31, 1908.
Gold and Silver Coin	$ 2,514,350.84	$ 3,221,717.14
Dominion Government Notes	2,990,185.75	3,760,344.35
Deposits with Government for Security of Notes Circulation	180,000.00	190,000.00
Notes of and Cheques on other Banks	2,285,589.00	2,985,741.48
Balances due from other banks in Canada	64,304.52	36,289.51
Balances due from Agents in Great Britain		372,958.60
Balances due from Agencies in Foreign Countries	772,075.15	896,657.36
Government and Municipal Securities	3,482,695.45	2,693,101.20
Railway and other Bonds, Debentures and Stocks	3,365,048.88	4,501,489.26
Call and Short Loans on Stocks and Bonds	3,916,543.97	3,286,141.29
	$19,570,793.56	$21,944,440.19
Loans to other banks in Canada		$ 496,248.15
Loans to Provincial Governments	18,373.75	107,656.95
Current Loans and Discounts	25,862,931.29	26,736,164.99
Overdue Debts (Loss Provided for)	17,713.13	34,776.28
Bank Premises	881,686.62	1,150,924.39
	$46,351,498.35	$50,470,210.95

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Profit and Loss Account

By net Profits for the Year, after deducting Charges of Management, Accrued Interest on Deposits, full provision for all bad and doubtful debts, and rebate of interest on unmatured bills	$ 746,775.50	
By balance of Profit and Loss Account, December 31, 1907	$ 156,909.76	$ 903,685.26
Appropriated as follows:		
To dividend (10 per cent.)	390,000.00	
To transferred to Officers' Pension Fund	25,000.00	
To written off Bank Premises' Account	200,000.00	
To transferred to Reserve Fund	210,000.00	
To balance of Profit and Loss carried forward	78,685.26	903,685.26

EDSON L. PEASE,
General Manager.

The Canadian Bank of Commerce

Report of the Proceedings of the Annual Meeting of Shareholders, Tuesday, 12th January, 1909.

The forty-second Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held in the banking house on Tuesday, 12th January, 1909, at 12 o'clock.

Among those present were:—James Crathern, Montreal; Hon. W. C. Edwards, Ottawa; John Hoskin, K.C., LL.D.; A. Kingman, Montreal; Robert Kilgour, Hon. George A. Cox, H. B. Walker, Montreal; William Gray, New York; Hon. L. Melvin Jones; E. R. Wood; H. W. Fitton, Brantford; C. D. Warren; George Murray, West Toronto; William Cook, Carrville; G. C. T. Pemberton; Rev. Dr. Somerville; John E. Belcher, Peterboro; A. E. Kemp; R. P. Butchart, Victoria; J. W. Campbell, Calgary; A. Maybee, Brandon; J. L. Watt, J. S. Willison, G. A. Somerville, J. K. Macdonald. J. M. Hedley, T. A. Chisholm, H. Lockhart Gordon, Richard Brown, Edward Cronyn; J. H. Morrison, Amherst, N.S.; H. F. D. Sewell, Thomas Gilmour, J. Hedley, John L. Blaikie, R. Gray, R. G. Van Vleet, William Garside; Mr. and Mrs. F. J. D. Smith, Newtonbrook; Mr. and Mrs. C. M. Gripton, St. Catharines; John A. Bruce, Hamilton; F. C. Bruce, Hamilton; W. W. Tamblyn, Bowmanville; John Leggat, Hamilton; John A. Morton, Hon. Mr. Justice Britton, W. T. White, W. E. Rundle, T. A. Russell, J. C. Sinclair; Z. A. Lash, K.C.; William Craig, Hon. Arch. Campbell, Major Keefer, Samuel Nordheimer, F. H. Cooch, J. O. Thorn, G. F. Beer; William McAdie, Oshawa; William Glenney, Oshawa; M. Morris; D. Hughes Charles, Peterboro; J. Short McMaster, R. C. Carlyle; George Reddie, West Toronto; D. B. Dewar, Hamilton; R. Harmer, William Davidson, Henry Beatty, F. Beemer, C. D. Nevill, Collingwood; Andrew Smith, G. A. Mowat, Thomas Walmsley, W. B. Meikle; G. H. McLaren, Hamilton; Jeffery Hale, London; R. T. Coady, J. S. Lovell, J. A. Ewan, C. A. C. Jennings, Frank Sanderson, Robert Davies, S. R. Wickett, John Westren, Dr. J. H. Carrique, H. L. Watt, A. E. Ferrie, W. Murray Alexander, H. C. Cox; Rev. T. W. Paterson, Deer Park; William Prendergast; John Aird, Winnipeg L. J. Cosgrave, W. T. Boyd, J. M. Clark, William Mackenzie, Frederick Wyld, Miss Robinson, James Brydon, W. Harland Smith. A. W. Anglin, AE. Jarvis; C. Cambie.

The President, Mr. B. E. Walker, having taken the chair, Mr. A. St. L. Trigge was appointed to act as Secretary, and Messrs. W. Murray Alexander and Edward Cronyn were appointed scrutineers.

The President called upon the Secretary to read the Annual Report of the Directors, as follows:

REPORT.

The Directors beg to present to the Shareholders the forty-second Annual Report, covering the year ending 30th November, 1908, together with the usual Statement of Assets and Liabilities:

The balance at credit of Profit and Loss account, brought forward from last year, was	$ 675,912 10
The net profits for the year ending 30th November, after providing for all bad and doubtful debts, amounted to	1,627,332 78
	$2,303,244 88

Which has been appropriated as follows:—

Dividends Nos. 84, 85, 86 and 87, at Eight per cent. per annum	$ 800,000 00
Written off Bank Premises	300,000 00
Transferred to Pension Fund (annual contribution)	30,000 00
Subscriptions to Quebec Battlefields and Fernie Fire Funds and other objects	12,000 00
Transferred to Rest Account	1,000,000 00
Balance carried forward	161,244 88
	$2,303,244 88

All the assets of the Bank have been, as usual, carefully re-valued and all bad and doubtful debts amply provided for.

Your Directors have the pleasure of reporting earnings amounting to $1,627,332.78, which, in view of the disturbed financial conditions of the year, we consider very satisfactory. After providing for the dividends and for the usual contribution to the Pension Fund, we have been able to write $300,000 off Bank Premises Account, to add $1,000,000 to the Rest, making that account $6,000,000, and to carry forward $161,244.88 at the credit of Profit and Loss Account.

During the year the Bank has opened new branches at the following places: In Ontario, at Crediton, Exeter, Forest, and Thedford, the first two and the last-named being branches taken over from the Sovereign Bank of Canada; in Manitoba, at Rivers; in Saskatchewan, at Delisle, Elbow, Melville, Outlook, Tugaske and Watrous; in Alberta, at Monarch; and in British Columbia, at Revelstoke and Park Drive, Vancouver. The branches at Kenville, Man,; Kinistino, Sask.; Norwood, Man., and RossAvenue, Winnipeg, have been closed. Since the close of the Bank's year a branch has been opened at Provost, Alta.

In accordance with our usual practice, the branches and agencies of the Bank in Canada, the United States and Great Britain, and the various departments of the Head Office have all been thoroughly inspected during the year.

The Directors again have pleasure in recording their appreciation of the efficiency and zeal with which the officers of the Bank have performed their respective duties.

B. E. WALKER,
President.

Toronto, 12th January, 1909.

GENERAL STATEMENT.

30th November, 1908.

LIABILITIES.

Notes of the Bank in circulation		$ 9,640,845 68
Deposits not bearing interest	$22,231,129 05	
Deposits bearing interest, including interest accrued to date	72,806,666 97	
		95,037,796 02
Balances due to other Banks in Canada		165,408 36
Balances due to other Banks in foreign countries		1,131,386 64
Dividends unpaid		1,532 69
Dividend No. 87, payable 1st December		200,000 00
Capital paid up	$10,000,000 00	
Rest	6,000,000 00	
Balance of Profit and Loss account carried forward	161,244 88	
		16,161,244 88
		$122,338,214 27

ASSETS.

Coin and Bullion	$4,581,049 06	
Dominion Notes	8,503,293 25	
		$13,087,342 31
Balances due by other Banks in Canada	$ 11,850 55	
Balances due by Agents of the Bank in the United Kingdom	6,750.669 18	
Balances due by Agents of the Bank, and other Banks in foreign countries	3,191,278 88	
Notes of and Cheques on other Banks	4,314,762 50	
		14,298,561 11
Call and Short Loans in Canada		7,314,181 53
Call and Short Loans in the United States		10,622,703 14
Government Bonds, Municipal and other Securities		4,673,390 71
Deposit with Dominion Government for security of Note circulation		450,000 00
		$50,446,178 80
Loans to other Banks in Canada, secured		1,061,252 09
Other Current Loans and Discounts		68,694,649 07
Overdue Debts (loss fully provided for)		143,648 74
Real Estate (other than Bank Premises)		36,325 44
Mortgages		27,102 91
Bank Premises		1,727,444 33
Other Assets		201,612 89
		$122,338,214 27

ALEXANDER LAIRD,
General Manager.

The General Manager then said:—

GENERAL MANAGER'S ADDRESS.

In our last report we took occasion to say that, after a period of unusual financial stringency, we must expect diminished banking profits; and the year now closed has shown a general disposition to liquidate old obligations rather than to create new ones. A lack of confidence is usually accompanied by a desire to accumulate funds, and this means unwillingness to risk investments in enterprises which are attractive and desirable, Our statement gives every indication of the great change in our financial position during the year. We are still feeling the effects of the general liquidation already referred to, and this must be reflected in our earning power. Confidence, however, is returning, and we have every reason to believe that the coming year will bring a fair measure of prosperity.

The net profits for the past year show a decrease of $125,016,89, as compared with the figures of the previous year, but they are slightly in excess of 16¼ per cent. on the paid-up capital, and under the circumstances we feel that this result is a very satisfactory one. Had it not been that the volume of our loans was well maintained during the early part of the year, the decrease would have been much greater.

We have paid the usual dividends at the rate of 8 per cent. per annum, and, after providing for the customary payment to the Pension Fund and for some special subscriptions, and adding $1,000,000 to the Rest, we have been able to set aside $300,000 for Bank Premises Account, and to carry forward undistributed profits of $161,244.88. This emphasizes the position this Bank is in as regards the maintenance of its present rate of dividend, and, while some of the shareholders may feel that they are entitled to a larger distribution of the profits of the Bank, we believe the majority will agree with us that the present moment, when we are facing a period of diminished demand and consequent lower rates for money, is hardly opportune for the consideration of this question, and that the policy your Executive has followed of strengthening the foundations of the Bank is that which will tend most surely, in the not distant future, to the realization of the hopes of those who look for increased returns. It is possible that some may think our expenditures on bank premises might now be lessened to some extent, and in this connection we may say that the principal buildings which we feel at the present time are necessary should, in the course of the next two years or thereabouts, be completed. But the rapid extension of the Bank in the newer parts of this country, and the remarkable growth exhibited by many of the cities and towns of these new districts, are constantly making demands upon us for accommodation which we find it difficult—indeed, well nigh impossible—to obtain in any other way than by erecting our own buildings.

During the year our deposits have increased by $7,996,738, or almost eight million dollars, of which about six million dollars is in deposits bearing interest. It may be interesting to note that, starting last year with deposits of $87,041,057, some of which were of a temporary character, being balances of large accounts in process of adjustment, there was a decrease until April, when we reached the lowest point, $82,257,018. The past six months showed a steady increase, culminating in our record of $95,037,796. On the other side of the balance sheet, our loans stand at $87,692,785, as compared with $88,768,829 in our last report, the decrease being mainly under the heading of "Current Loans and Discounts," which represents almost entirely our share of the commercial loans of the country. In this item the decrease is $7,378,622; while, on the other hand, our Call and Short Loans have increased $5,241,327.

We have not had a recurrence of the difficulties attending the marketing of our crops, and, perhaps, a word on this question will not be out of place. There was little or no apprehension of stringency during the crop season. Our easier financial position, the wise provision for an emergency circulation, and the fact that a large portion of the crop was moved with exceptional rapidity before the close of navigation, all tended to obviate these difficulties; still there is much need to consider seriously permanent measures for financing a crop movement of such large proportions. It is manifestly necessary that there should be a larger amount of bank capital available as a basis for our circulation, but, even with a considerable augmentation of bank circulation and the thoughtful interposition of Government measures of relief, we shall still be brought face to face with the difficult problem of taking care of immense stores of grain after the close of navigation, when the interior movement is over and the grain is warehoused at terminal points.

A year ago we were experiencing a world-wide financial disturbance, with a money stringency of almost unprecedented severity. A policy of extreme conservatism was forced upon Canadian banks, and, as a consequence, they were subjected to much criticism for their practice of carrying loans at call in New York, it being argued that these moneys ought to have been wholly employed in meeting the needs of the manufacturing and mercantile interests of Canada. The fact that the banks have moneys lent outside Canada, at a time when there is a strong demand for accommodation on the part of the business community here, not unnaturally appears open to criticism to persons who are not possessed of all the facts, and, as the subject is one which seems likely to continue to come under discussion from time to time, we think it well to add to what has already been said by other bankers in reply to this criticism.

In November, 1907, when the foreign loans of Canadian banks were at their low point—$64,774,000—the Canadian banks held deposits elsewhere than in Canada amounting to $54,819,000, so that not more than $10,000,000 of Canadian funds were being lent outside Canada. Moreover, the larger portion of these loans are carried in New York at 24 hours' call—practically as readily available as cash. Except at rare intervals, New York call loans bear a much lower rate of interest than Canadian mercantile loans; consequently the banks aim to carry only such an amount at call in New York as, with the cash carried here, will constitute a reasonable reserve of cash and immediately realizable funds. Notwithstanding all that financial critics have written about the Canadian banks sending to New York moneys needed in Canada, in order to take advantage of the high rates occasionally prevailing there, such a thing as a bank curtailing its commercial loans in Canada for a purpose of this kind is absurdly improbable. Only occasionally during the past fourteen years have excessive rates for call money in New York prevailed for more than a few days in the year, and no sane banker would think of sacrificing permanent business connections in Canada, of even the smallest kind, for such a temporary advantage. Self-interest will at all times be a sufficiently weighty force to prevent the banks from lending Canadian funds outside of Canada except to the extent that is necessary for the purposes of their cash reserves.

From the figures quoted above it will be seen that, so far from the business interests of Canada being prejudiced by the policy of the Canadian banks in this matter, they are actually benefitted and in no small measure, since the deposits gathered abroad supply a large part of their cash reserves. Had the banks at the date mentioned had no deposits and no loans outside of Canada only $10,000,000 would have been added to their resources at home, and this would not have been lent for commercial purposes. On the contrary, in order to bring the total reserves up to the normal level, not only would it have been necessary to add this sum to the cash reserves carried here, but also to withdraw a further large sum from mercantile loans.

During the panic in the United States some of our newspapers published sensational and misleading articles to the effect that the funds lent by Canadian banks in New York were tied up and could not be got back to Canada. Notwithstanding the severity of the panic, however, there was not a day during which moneys lent to New York brokers on call could not have been got in, and, while it is true that, if it had been desired to ship money to Canada direct from New York, a premium of 3 to 5 per cent. would have fallen to be paid, on the other hand, New York funds could at any time have been exchanged for drafts on London, and the gold brought from there—indeed, this procedure was followed to a considerable extent by the New York agencies of some Canadian banks. No more convincing evidence could be had of the availability of call loans in New York than is afforded by the experience of last year.

On the general subject of the moneys lent in the United States, it may properly be argued that reserves are for use in a time of emergency, but on this score it can be shown that the course of the Canadian banks last autumn was not at all open to criticism. In the month of September, 1907, the total loans of Canadian banks outside Canada amounted to $88,953,000, while at the end of November, when the stringency was most severe, they had been reduced to $64,774,000—from which it will be seen that the banks had drawn upon their outside reserves to the large amount of $24,000,000 to meet the necessities of the mercantile community in Canada. We may be permitted to express our opinion that, with very few exceptions indeed, the Canadian banks last year faced a very trying situation with courage and a proper sense of their obligations to the business community. As far as this Bank is concerned, we are able to say that no lines of credit for customers were cancelled and no customer from the Atlantic to the Pacific was refused accommodation for his legitimate requirements.

In moving the adoption of the Report the President said:—

PRESIDENT'S ADDRESS.

It is hardly necessary to say that the conditions of business are very different from those of a year ago. We were then required to meet the serious lessening of our purchasing power because of poor crops in Canada, and our share of the result of the culmination of a world-wide expansion in general expenditure, and particularly in the fixing of capital in public and private improvements. We have now had a year in which the pace of expenditure throughout the world has been sufficiently checked to ease the money markets, and in Canada we have gathered an excellent harvest. Better class securities almost everywhere have recovered in price to such an extent as almost to wipe out the apparent losses which seemed so serious a year ago, and which were, of course, real to those who were forced to sell. The lessening of our power and disposition to purchase goods has naturally lessened the profits of many manufacturers and merchants; but all this was inevitable, and I think those who consider sufficiently must conclude, as a year ago we suggested would be the case, that we have suffered far less than most other countries. Whether we have suffered enough for our own good is another matter.

The total bank clearings for 1907 in thirteen Canadian cities was $4,325,000,000, while for 1908 it was $4,142,000,000, so that the falling off is only 4.2 per cent. Owing to the change in the fiscal year of the Dominion Government, which now ends 31st March, we cannot make very useful comparisons between the years ending at that time in 1907 and 1908, but it is evident that up to the end of March, 1908, no decrease in the volume of imports and exports had taken place. But by comparing the half-years—April to September inclusive—we obtain very suggestive figures. For this half-year in 1907 the imports were $202,700,000, against $149,500,000 in 1908, and the exports were $138,200,000, against $118,700,000 in 1908. So that an excess of imports amounting to $64,500,000 for the half-year in 1907 had been lessened to $30,800,000 in 1908. As far as the mere lessening of the difference between exports and imports is concerned, this is fairly satisfactory. During the ensuing half-year—October to March inclusive—both exports and imports will doubtless show large increases, but it will be very interesting to see whether we have maintained or improved the relation between what we sell abroad and what we buy. So long as we are not only settling large numbers of immigrants in our new provinces but spending what is necessary to prepare for still larger immigration, we must expect to buy abroad more than we sell, but financial safety lies in preserving reasonable proportions between our purchases and sales. The great difficulties of the last few years have—except during temporary periods of stringency—been adjusted with comparative ease by the sale of our securities, mainly in Great Britain, but also to a small extent in the United States. This comparative ease, it is well to remember, is due to the high state of our credit in London and sympathetically elsewhere, and the maintenance of this high credit depends upon ourselves. Some idea of the growth in our financial transactions abroad may be gathered from the following facts: During 1908 the total issue of Canadian securities in the shape of bonds was $196,357,000, of which about $77,500,000 were in Government issues, $47,500,000 in municipal issues, and $71,300,000 in bonds of railway and industrial corporations. These bonds were sold as follows:—

In Great Britain about	$165,000,000
In Canada about	25,000,000
In the United States about	6,000,000

The most satisfactory feature is the generally high character of these securities. Without undertaking to express an opinion about any particular issue, it is safe to say that few countries have produced better securities, as a whole, than those issued by Canada in recent years. Our high credit clearly depends upon a continuance of high quality in our securities and moderation in the quantity offered at any one time.

The Maritime Provinces.

The prosperity of these provinces has naturally been more unevenly distributed than usual owing to the lower prices and restricted markets generally prevailing, but except where the conditions of manufacturing, including lumbering, have affected the result, there has been general although moderate progress. The winter was mild, the spring dry and the land ready for seeding early. The season was favorable for growth and the yield in most crops has been up to or above the average. Dairying has been prosperous, cheese and butter bringing record prices; apples, while not so plentiful, have been of better quality, and brought more money; other fruits have also done well. Hay has been a heavy crop but with lower prices. Taken as a whole, agricultural results have been satisfactory, marred somewhat by lower prices.

In fishing, because of the great length of the coast line, there has been the usual variety of results in different localities, but as a whole the supply of fish has been maintained. Prices, however, have been less satisfactory, partly because of the general conditions of trade, but also because in the dried-fish trade there has been unwholesome competition for some years past resulting in high prices to the fisherman but in losses to the merchant. Prices have now fallen to a level which should eventually put the trade on a sounder basis.

The hope of an improvement in the markets upon which New Brunswick and Nova Scotia depend for the sale of lumber did not prove well-founded. The cut for the winter was larger than had been estimated, and this, added to large stocks already on hand, has not helped matters. The stringency in money forced many dealers in the Baltic and elsewhere to sell at a sacrifice and the European markets were thus flooded with cheap lumber at a time when the demand for lumber, especially in box-making—because of strikes and declining trade—was at a minimum. The slaughtering of prices, however, has taken place stocks abroad are lower; the cut this winter will be even smaller than last; spruce may, to some extent, be made into boards for other markets instead of deals, and a distinct improvement in prices and in volume of trade is already evident from recent cable advices.

It is pleasant to record that, despite general depression in the trade of the world, the quantity of Canadian coal mined and shipped was larger in 1908 than in 1907. There has been sharp competition due to many times the usual quantity of American coal being sold in Montreal at low prices, because of bad markets at home. Since October the markets have been depressed, and much will depend upon the trend of prices and of production in the United States.

Our largest steel company has again had a successful year, nearly all the departments having been well employed, and the earnings exceeding those of 1907. In view of the condition of the steel trade throughout the world, this is a very satisfactory state of affairs. It seems also probable that the work will be well if not fully employed throughout the coming year, although doubtless on a lower basis of prices. During the year the company tendered successfully, although at current British rates for about 25,000 tons of rails for India and Australia.

In other manufactures, especially those depending on railroads or other large works, or upon western trade generally, there has been a sharp falling off in volume, and although a recovery has set in it must be at lower prices, and the immediate outlook is not very promising.

Ontario and Quebec.

While the results of the year's farming operations have been a fair average in Ontario, they have been below the average in Quebec. Spring conditions were favorable in most parts of Ontario, but the season was late in Quebec and in Eastern Ontario. In both provinces the unusually dry period during the summer affected the yield in the case of many crops, and the farmer suffered like others from the decline in prices. Still the year was one of prosperity although the farmer's purchasing power is for the moment lessened by the effect of the poor crops of 1907. The acreage of fall wheat sown in all Canada for the crop of 1909 is five per cent. less than normal, although there have been great increases in the three prairie provinces and in Quebec. The reduction in the general average is caused by the Ontario acreage falling to 86 per cent. of the normal amount owing to drought and consequent bad condition of the ground for working. Any loss due to this will doubtless be made up in other directions. Hay and pastures generally were, of course, affected by the drought. The value of the hay and other fodder crops, of potatoes and roots, including sugar beets, in Ontario and Quebec, is very great, and yet in discussing crops from year to year we are apt to forget the importance of these relatively to the cereals. The Government report for November shows the value for all Canada of these root, seed and fodder crops to be $186,000,000, of which 48 per cent. was grown in Ontario and 28 per cent. in Quebec, the money value for 1908 in the two provinces being $142,500,000.

For a second time dairy exports are much less than for the record year of 1906, and while this is partly due to the lack of rain and a lessened number of milch cows, we have apparently come to a point in the trade where its growth cannot be judged by the exports alone as it has been possible to do heretofore with a fair degree of accuracy. Fortunately the statistics now published by the Dominion Government make a study of the subject quite easy. There has been another marked decline in the total value of cheese exported, the quantity shipped from Montreal being valued at only $17,142,000, against $20,941,000 in 1906, although the average price was the highest on record. In butter there is an improvement of about 50 per cent. over the extraordinarily low figure of 1907, but even then we show exports valued at only $1,266,000, as against $7,400,000 in 1905. If we compare 1908 with 1903 the loss in value of dairy products exported is about $8,000,000. If, however, we take into account the requirements of our greater population, an increased supply worth about $9,000,000 is now required for home consumption. But this is not a sufficient explanation, because the decline in exports has been as great since 1906 as since 1903. There is no doubt that it is also due in a large measure to the more lavish expenditure at home for all dairy products owing to our increased prosperity. The total value of the entire dairy product of Canada for 1908 is estimated at $94,000,000. There are in Quebec 2,806 factories for the making of cheese, or butter, or both, and in Ontario 1,284, while in all the rest of Canada there are about 265. This comparison gives some idea of the opportunity for expansion in this most valuable branch of farming. No matter how great is the home consumption the growth of our dairy business should be great enough to provide for it, and barring lean pastures, to increase annually the quantity available for export. It is most unfortunate that at a time when there has been drought in Australia and New Zealand the same thing has occurred in Canada. As a consequence the falling off in the supply of colonial butter in Great Britain has been so great that prices have been the highest in twenty years, and, foreign butter makers being unable to supply the deficiency to any considerable extent, it has been supplied by various cheap substitutes for butter, doubtless to the disadvantage of our future trade in the real article.

Exports of apples have also been smaller owing to the prolonged dry weather. As against 630,000 barrels in 1907 we exported only 351,000 in 1908, the average for nine years being 430,600.

The market for horses has been satisfactory. Owing to the reduction in the herds on account of the lack of food supplies in 1907, and the dry season of 1908, there is not the same improvement in the cattle of Ontario and Quebec as has taken place in the West, and a season or two of our usually plentiful food supplies will be necessary before we have entirely recovered. It is also regrettable that the Ontario farmers have for two or three years paid less attention to hog raising than formerly, partly, of course, because of the scarcity of food; the effect has been to lessen the steadiness of our supply of bacon and to give our chief competitor, the Dane, a renewed hold on the market in Great Britain.

The stringency in money has affected the lumber trade of Ontario and Quebec as elsewhere. Large transactions for a time practically ceased, but the manufacturers are as a rule able to hold their stock, and are unwilling to make much concession in price. There are now signs, both in Great Britain and the United States, of some renewed interest, and this particular trade will doubtless recover its strong position as quickly as any other. There is naturally some lowering of the cost of manufacture, although this will not have its full effect upon boards sawn this year.

In almost all branches of manufacturing there has been a large falling off in output, causing a considerable number of people to be out of employment, and all shop-keepers and distributors of goods to experience a corresponding diminution in the volume of sales and in profits. This inevitable result of the necessary check which has come to the world's expansion is now gradually passing away, and we can look hopefully to the future, especially in view of the unusual growth of this country. In many branches of manufacturing orders are now coming in quite satisfactorily, and many stocks which had become low are being replenished.

Much the most interesting feature in the development of Ontario has been the Cobalt mining camp and the prospect of new areas of similar character. The actual silver shipments of 1907 have advanced us to the fourth position among the world's producers, as compared with the fifth position a year ago. We have passed Germany and we may pass Australasia in the near future. Up to the close of 1907 the total value of silver produced at Cobalt was $11,300,000; and of this about $6,000,000 was shipped in 1907, the average value being about 65 cents per ounce. The quantity of ore shipped in 1908 was about double that of 1907, but the average value having fallen to approximately 52 cents per ounce the money result is only about $9,500,000. Had the price of silver remained as in 1907 the value of the product of 1908 would have been about $12,000,000. The result is in any event very gratifying and is still due largely to development work. The most notable new areas are in the Montreal River district, about 75 miles northwest of Cobalt, where the general conditions seem to be practically similar to those at Cobalt. It is too early as yet to guess whether Cobalt is to be repeated. The shipments from Cobalt have been made by about 40 companies; 24 of these are regular shippers, and 15 are paying dividends. Unfortunately these 15 dividend-payers are the examples upon which numerous companies are being created, most of which will not reach the dividend-paying stage. The total capital of the companies listed on the Exchange is about $56,000,000, and their shares are quoted as worth about $58,000,000. In addition to these there are many companies whose shares are not listed. It is, of course, possible that this rich camp may as a whole justify these figures, but, if so, it will almost surely mean that a few have made large sums while a very large number of exceedingly foolish people have lost all that they had invested. While Cobalt can produce silver cheaper than any mining area in the world except those where it is a by-product, the fall in the world's price for silver is disappointing. If the low price continues many mines in other countries must close down, and this would tend to a movement upward.

The total value of all minerals produced in Canada in 1907 was $86,000,000, against $65,000,000 five years ago, and $10,000,000 twenty years ago.

While the smaller number of immigrants and other travelers, and the lessened imports, have been unfavorable factors, Montreal as a port has done well during the past year. It now occupies the fifth place in North America, being surpassed by New York, Galveston, Boston and New Orleans. The value of incoming and outgoing merchandise for 1907 was $192,000,000, and to meet the requirements of this great trade the Harbor Commissioners have made important improvements of the most modern character. The Marine and Fisheries Department have also for some years past been steadily improving the lighting of the St. Lawrence, and it is claimed that during the last eight years the decline in insurance rates has been such as to make a saving to freight and vessel owners combined of about $6,000,000.

Manitoba, Saskatchewan and Alberta.

There is little to say this year about the Prairie Provinces that is not pleasant to hear. So far as agriculture is concerned the work of seeding was done under very good conditions, and with ideal weather in June, the sanguine hopes of early July, which went as high as 125,000,000 bushels of wheat, were not without justification. But July was too hot and in August there was some frost. The total yield did not come up to the calculations of the most optimistic, but it is the largest ever secured in all kinds of produce. Both field and grade, when the grain was not frosted, were good, and with prevailing prices the money return is, of course, larger than in any previous year. Our estimate of the total quantity of cereals is as follows: Wheat, 106,040,000 bushels; oats, 103,200,000 bushels; barley, 23,380,000 bushels; or in all, 232,620,000 bushels, against 160,000,000 in 1907, and 32,000,000 in 1900. The West has seldom had a season more favorable for the threshing and movement of the crop, and also for the preparation of the land for the following year. As a consequence it is estimated that the acreage for 1909 will exceed that of 1908 by 15 to 20 per cent., making a total acreage of 11,500,000, of which about 7,250,000 will be in wheat. With this bountiful crop for 1908 and the handsome promise for 1909 it is well not to forget such years as 1907. There are many avenues of economy and profit open to the western farmer which, because of the ease with which he acquires wealth, he is apt to neglect. This is unfortunate for the country as a whole, and some day it may be unfortunate for him. Apparently he does not always prepare in the fall as large an acreage as possible for early seeding in the spring, nor is he always careful to use good seed; he does not use fertilizers to any reasonable extent, nor destroy noxious weeds with sufficient vigor, nor does he prepare for a proper rotation of crops; and it is regrettable that the higher branches of farming, such as dairying, the breeding of good cattle, horses, hogs and sheep, and the raising of poultry, are not being more rapidly developed. However, the Manitoba Government is doing good educative work of this kind in its Agricultural College, and the Governments of Alberta and Saskatchewan have shown in many ways that they are alive to these most important questions. The example also of the well-trained farmers who are to be found in many districts must tell in time; indeed, there are many parts of the three provinces in which great progress in mixed farming is already noticeable.

From the best information we can get the year just closed is regarded as an exceptionally good one in the cattle trade. Prices have been satisfactory and the European markets have been steadier than at any time since 1892. The prospects for a continuance of good prices seem particularly bright owing to the general shortage of cattle in all exporting countries, and especially in the United States. Canadian herds from the Atlantic to the Pacific are now reported by Government experts to be entirely free from disease, and a most careful quarantine against foreign countries as to cattle, cattle products, and horses, is being maintained. On the western ranges the grass is excellent and well cured, and animals intended for next year's market should come through the winter in good condition. While it is difficult to obtain reliable records of the number and total movement of cattle in the West, the following figures will be of interest. The shipment for export for the last four years has been as follows:—

1905	64,287
1906	86,575
1907	53,556
1908 (to 5th December)	100,454

These figures indicate clearly the severity of the winter of 1906-7, and also the recovery from its effects. The total number of cattle, horses and sheep in the three provinces is estimated as follows:—

	Cattle.	Horses.	Sheep.
1901	942,625	340,329	182,616
1906	1,944,598	682,919	304,531
1908	2,073,840	737,659	307,682

Now that the slight check to the growth of the West, caused by the world-wide stringency in money, the poor crops of cereals and the bad winter for cattle, is passing, it may be well, if you are not already tired with figures to give some of the evidence afforded by statistics of the rapid growth of the prairie provinces. We have already dealt with grain and cattle. In lumber the cut for the country between Lake Superior and the Rocky Mountains—a district not very important in timber areas compared with other parts of Canada—has grown from 119,000,000 feet in 1899 to 266,000,000 feet in 1907. In coal from mines in Alberta and Saskatchewan, the growth in the same period has been from 334,000 to 1,757,000 tons. The grain storage capacity, including terminal elevators, has grown from a little under 20,000,000 bushels in 1899, to 61,000,000 bushels in 1908. The milling capacity, of which we have no records for 1899, has grown from under 20,000 barrels per day in 1903 to over 40,000 barrels per day in 1908.

The railway mileage in the three provinces has grown from 2,000 miles in 1900, to 8,560 miles in 1908, and the demand for branch lines is still as pressing as ever. The Premier of Alberta has stated his views as to the necessity for greater transportation facilities in his province so urgently, that we cannot doubt but that his people and those of Saskatchewan are keenly alive to the advantage and necessity of being able to get their crops speedily to the seaboard. The movement of cars will illustrate the poorness of the crop of 1907 and the excellence of the crops of 1906 and 1908, and also the improved capacity of the railroads. For the twelve months ending 31st August, 1907, the number of cars carrying grain was 80,507; for the corresponding period in 1908, 63,978; while for only three months of 1908, from September to November inclusive, the number was 48,898. In southern Alberta and at scattered points elsewhere there have been strong complaints of car shortage, but as a whole the service of the railroads has been better than usual.

The number of homesteads and preemptions exceeds all previous records, partly because of the new Land Act, which came into force only on 1st September, since which time a great rush has occurred. The number of entries during the first nine months of the past three years has been as follows:

1906	1907	1908
37,690	23,129	41,963

It seems safe to assert that the new policy of the Dominion Government regarding the desirability or otherwise of those who propose to settle in Canada is bearing good fruit, as those who have taken up land during 1908 have been as a rule of a better class than in previous years. The number of settlers coming into the three provinces during the past year is estimated at 105,000, of which about 40 per cent. were from the United States.

The population of the three provinces has grown from 414,000 in 1901 to 975,000 in 1908; the value of goods entered at the Customs Department from $6,200,000 in 1899 to $26,000,000 in 1907; the number of branch banks from 29 in 1889 to 507 in 1908; the bank clearings from $107,786,000 in 1899 to $717,423,000 in 1908.

These figures abundantly illustrate the prosperity of the West, and we may fairly expect that eastern business dependent on the West will now improve. Still it must be remembered that, owing to the poor crop and the cattle losses of 1907, the West, so far as its immediate buying power is concerned, is not very much ahead of where it was at the end of 1906. It is sincerely to be hoped that the desire to spend freely and to incur debt will not immediately return, and that some of the lessons in economy may remain permanently impressed upon the people.

British Columbia.

Depending as this province does on a few very important staple products, and not upon general agriculture or a diversity of manufactures, the decline in trade elsewhere was at once reflected in the demand and prices for such products.

The lumber business has been even less satisfactory than in the east. The demand from the prairie provinces was necessarily very small, owing to poor crops and tight money, and for export little business was possible, and only at unsatisfactory prices. To the extent of the stocks of lumber on hand, and of such logging and lumber or timber making as could not be avoided, losses will be sustained, but, as we have said before, the log is near the mill in the Pacific areas, and therefore adjustment of supply to demand is quickly made. As a consequence, there is already a better outlook, and we may hope to see this important trade in a healthy condition again before long. The value of standing timber has practically not been affected by the stringency in money, although there may have been some speculators who were forced to sell at a concession. Whether the estimate of the total quantity of timber in British Columbia, which I shall give later, is accurate or not, the value of it is so enormous that too much cannot be said in favor of proper forestry regulations. The loss by fire is simply appalling when reduced to money value, and the loss by careless and wasteful operations, both in the woods and at the mill, seems even more inexcusable, because it might be more easily remedied.

The output of coal in the province, which in 1907 was 2,220,000 long tons, fell to 2,013,000 in 1908, but in view of the fire in the Crow's Nest Pass and the shrinkage in trade, this is not a very serious recession in production. Copper mining ranks next in importance to coal in British Columbia, and the fall in the price of copper is, perhaps, the most noticeable feature in connection with the check to the world's expansion. But, notwithstanding the fact that the copper market has been dull during the whole year, and the price as low as 11 to 13½ cents, as against an average of 20 cents in 1907, the mining and smelting industries of the Boundary district have been actively and even profitably employed. Ore shipments are larger than in 1907 or any previous year; additions are being made to plants to increase the present large daily output, new records in which have been made this year. The two large companies are now able to treat from 150,000 to 175,000 tons monthly. Recent diamond drill borings have confirmed the impression that they have an almost inexhaustible supply of ore, and as the trying time they have experienced as to prices has shown how cheaply they can produce the copper, there seems no reason to fear that this great district will not permanently hold its important place in copper production. There was a moderate increase in the quantity of ore treated or mined at Rossland, but a larger decrease in other Kootenay mines leaving the totals for eleven months at 386,000 tons, against 417,000 tons for the same period in 1907. The great fall in price of copper, silver and lead has accentuated the difficulties of costly transportation, lack of capital, and sometimes lack of experience, in the various mining fields in British Columbia; yet there is a great deal of activity in them at the present time, and eventually many new mining areas must become important sources of wealth to the province. Most noticeable among these, both in development work and in railroad building directly connected with mining, are the various areas in Northern British Columbia and the lower part of Yukon, which are more or less tributary to the White Pass and Yukon Railway. It is too early to say anything definite about the ultimate value of the copper and silver properties in these new mining fields, except that with the next rise in copper the mines of that character will doubtless become profitable.

The planting of trees, with a view to future fruit crops, is progressing rapidly, and the fruit produced in 1908 was excellent in quality and in yield. Prices, although generally profitable, were affected by the depression in trade, but the growers suffered mainly from the lack of organization in this comparatively new industry. The very large number of trees now being planted will before long come into bearing, and the perfecting of arrangements for packing, the supply of labor, cheap and rapid transportation, the selection of the best markets, etc., will suddenly become subjects of vital concern. There is an evident improvement in many of these features every year, and we must hope that the railroads will soon be able to give better service at lower rates.

In general farming there is considerable progress, especially in the valley of the Fraser, but British Columbia still buys from Eastern Canada very large quantities of dairy products, eggs and other things, all of which should be produced in the province.

The salmon pack last year was 542,689 cases. This was one of the lean years, but the catch has been considerably larger than that of the corresponding year of 1904. This year the big catch is due. Halibut fishing grows in importance, but, unless our rights are guarded, the advantages are likely to continue to be gained by our neighbors. During 1908 about thirty-nine million pounds of halibut caught off the coast of British Columbia were shipped to Seattle, as against thirteen million pounds to Vancouver. If the conditions surrounding the catching of these fish by Americans are in all respects within the law, we have no right to complain, but it is claimed that if the law were strictly observed, fishing by American vessels would be practically impossible in any large way. We should have Government cruisers in sufficient numbers to protect our rights, and there is no time to be lost in attending to this. These remarks are just as pertinent to the fishing grounds which should be tributary to Prince Rupert as to those in other British Columbia waters.

Taken as a whole, the province has had another year of prosperity and of satisfactory development, looking towards a much enlarged future. It has suffered considerably from the temporary decline in the lumber trade and from the terrible fire in the Crow's Nest Pass. But the rebuilding of Fernie on a larger and more solid basis than ever is significant of the West. Such troubles are but incidents which may delay but cannot stop the growth of the country. In other respects, while trade has been restricted somewhat, as elsewhere, almost all classes have contrived to make or save money. The Provincial Government, so hampered, some years ago, by the smallness of its revenues, collected last year nearly six million dollars in Government dues, only about ten per cent. of which was from direct taxation. The revenue in 1903 was only two millions. Victoria continues to grow, and Vancouver seems destined to become a great city. Assessed values in Vancouver have risen from $19,500,000 in 1900 to $61,700,000 in 1908.

Before passing to the United States, it may be well to repeat the statement recently made by the Census and Statistics Office regarding the quantities and values of the field crops of Canada. The area of these crops exclusive of British Columbia is given as 27,505,663 acres, and the computed value at the average local market price as $432,533,000. These figures show an average value per acre for the field crops of the Dominion, of $15.72.

United States.

While it was impossible that the three Pacific States in which we are directly interested should fail to feel the effects of disturbance in the markets elsewhere, the check to business did not become generally acute or lead to widespread financial distress, and conditions are now growing steadily, although slowly, more normal.

The lumber markets, the depression in which had set in a year ago, were worse than those for any other leading commodity. The larger manufacturers shut down, thus stopping production, but many of the smaller mills could not do so, and a general slaughter in prices took place. The natural difficulties were intensified by the action of the railroads in increasing freight rates to points east of the Missouri River, thus closing these markets to the Pacific Coast lumbermen for the moment. But already the change for the better is most apparent. Most of the larger mills are again running on full time, and with a good supply of orders; freight rates have been somewhat improved; railroads which were practically not buyers during most of the year, are calling for bids on a large scale; the demand for ordinary building purposes is already very important, and a return to normal conditions in the near future seems assured.

In view of the rapid destruction of timber going on throughout the world, a correspondent of the London Times, in a recent article, draws attention to the quantities estimated as still standing in the Pacific Coast areas of North America, as follows:—Oregon, 225 billion feet; Washington, 195 billion; California, 180 billion; British Columbia, 150 billion; Idaho and Montana, 100 billion; a total of 850 billion feet. Canada, as a whole, is credited with 500 to 600 billion feet. The deep interest of the European world in these last great stands of timber in North America should not be forgotten when we consider our own national future. We may see the forests on which we have placed so much reliance disappear with a rapidity we have not supposed possible. The quantity and value of the lumber produced from the Douglas fir of Oregon and Washington, the sugar pine, the white pine, and the redwood of California, all combined, will illustrate in a startling manner the depletion which is going on, and the enormous money value of these staples:—

	Feet.	Value.
Total production,		
1905	4,940,000,000	$73,450,000
1906	6,080,000,000	104,200,000
1907	5,200,000,000	85,500,000

Taking all varieties of lumber into account, Washington exceeds all other states in output, the product in 1907 being nearly 4,000,000,000 feet. The total product of the whole United States in 1907 was about 40,000,000,000 feet, with an estimated value of $666,000,000.

The wheat crop of the three states was much smaller than the unusual crop of 1907. Prices were somewhat higher, partly owing to the large requirements of California, now hardly to be regarded as a wheat-growing state. The export trade was surrounded by several difficulties, one in particular being the fact that the price for home consumption generally exceeded the export price. The trans-Pacific flour trade has experienced a sharp check. Financial difficulties and the further fall in the value of silver in China, the high protective duties placed on wheat and flour in Japan, and high prices at home, have made shipments nearly impossible for the time being. In oats and barley, as well as wheat, the decline in production as compared with 1907, was, roughly speaking, from twenty-five to forty per cent. In hops there has been another serious falling off in acreage and yield, and the results have been quite unprofitable. Taking Oregon as an example, whereas in 1906 this state produced 160,000 bales, and the United States, as a whole, 365,000 bales, against 137,000 bales in England, in 1908 Oregon only produced 80,000 bales, the United States, as a whole 200,000 bales, against 291,000 bales in England.

While the early promise of an unusually large fruit crop was not fully borne out, the crop was very large, although the fruit was much smaller than usual. Financial conditions prevented the smaller canners from packing as much as usual; but prices were low, and in consequence, the large canners prepared enormous stocks to be carried over to next year when necessary. An extensive business in shipping fresh deciduous fruit to the eastern cities is developing.

(Continued on page 12.)

THE CANADIAN BANK OF COMMERCE.

(Continued from page 11).

About 12,000 cars of this class of fruit left California in 1908, and about 30,000 cars of citrus fruits. While the fall in price was very great indeed, the year has, except to the small canners referred to, been a good one on the whole, and in citrus fruits one of the best on record. We are unable to obtain statistics regarding the planting of fruit trees in Washington and Oregon, but it is being done on a large scale, and these States, already important as producers, are likely to become still more so in certain kinds of fruit. The year has been exceptionally favorable for producers of sugar, both in the Hawaiian Islands and in California. Crops have been larger than in any previous year, and prices have averaged $78 per ton of 2,000 pounds, against $70 in 1907. The Hawaiian crop was 521,000 tons in 1908, as compared with 440,000 tons in 1907. The beetroot sugar crop in California will be about 91,000 tons, against about 72,000 tons in 1907. The total value of the products taken from the soil of California in 1908 makes the astonishing total of $388,000,000, against $360,000,000 in 1907. Of this, $80,000,000 is credited to the forest, and $55,000,000 to the mine. This leaves $253,000,000 from the field, orchard, vineyard, dairy, etc., and these are avenues of industry which will annually produce a yield in proportion to the intelligent labor of man and the bounty of nature.

Although 1908 was one of the years in which a large catch in salmon was not expected, the catch was larger than in 1907, and the year has been quite satisfactory, packers generally having made money. The market is strong and comparatively bare of stocks—an excellent position for the packers, in view of the large catch due in 1909. The total pack of the whole Pacific Coast from the Columbia River to Alaska, including British Columbia, is estimated at 3,630,000 cases, valued at $14 000,000.

The yield of petroleum in California has been about 46,000,000 barrels, worth at the well about $23,000,000, against about 40,000,000 bbls. in 1907. The consumption of fuel oil in the state is equivalent to about 4,000,000 tons of coal. The state imported in 1907 883,000 tons of coal, as compared with 1,450,000 tons in 1898. So that if oil had not been discovered in California, and the industries now dependent on it could have been profitably established on the basis of using imported coal, imports of nearly 5,000,000 tons per annum would now be necessary to carry them on.

The trade with Alaska, largely controlled by Seattle, has been less than in previous seasons, partly for financial reasons and partly because of lack of water for mining purposes. The total receipts of gold at the Seattle Assay Office for the nine months ending 31st October were valued at $17,300,000. These are slightly better results than for 1907.

The financial events of the early part of the last year in the United States have excited too keen attention to demand much comment on our part. During most of the year trade was restricted, not merely as an effect of the panic, but because of the Presidential election. Recently the tendency of trade, as a whole, has been towards improvement, but not to the extent hoped for a month or two ago. The inevitable shrinkage in imports, combined with good exports, has caused the excess of exports, which for the 10 monthd ending 31st Oct., 1907: had been $292,000,000 to grow to the very large sum of $502,000,000. Deposits in New York banks, taking a day early in December as an example, have grown from about $1,000,000,000 in 1906 and 1907 to $1,400,000,000, and cash reserves from $250,000,000 in 1906 to $385,000,000 in 1908. One of the most interesting features of the present contraction is that, while the prices of iron, copper, lead, tin and cotton have all fallen sharply to meet the lessened demand, beef, lard, wheat, flour, Indian corn, oats and sugar are all higher than in 1906 and 1907, because of the short supply of foodstuffs throughout the world.

There should be nothing in connection with the business position of the United States so deeply interesting to the European world and to Canada as the possibility of reform in their banking and currency systems. This has been discussed with fluctuating interest during so many years, that doubt as to their willingness to grapple with these extremely difficult and complex problems naturally arises. The fact, however, remains that we are at present liable to periodic disturbance of the world's finances to a degree quite unnecessary, because in that great country, notwithstanding its wonderful organization for other industrial purposes, the machinery does not exist for managing the credit transactions of the people without periodical panics. Let us hope that the present Currency Commission will really produce results.

The motion for the adoption of the report was then seconded by the Vice-President and carried unanimously.

The President—I will now ask you to listen to Mr. Lash, who will move a resolution regarding the by-laws.

Mr. Z. A. Lash, K.C.—The shareholders are aware that under the Bank Act there are certain specified matters, by-laws regarding which are passed by the shareholders. These by-laws have been amended many times and it was thought well to consolidate and revise them.

By-laws from 1 to 7 have not been changed except in a few phrases.

Up to last year the pension fund was operated directly under the authority of the directors, but inasmuch as the employes of the bank have now a very substantial interest in this fund through having contributed a certain percentage out of their salaries, it was thought wise to transfer the administration, care, oversight and investment of the fund to a board of trustees consisting of officers of the bank. While, therefore, the future management of the fund is left to this board of trustees it was thought wise that the directors should retain a certain control over the matter; it was also felt that changed conditions might arise as the years go by which would not be provided for by the trust deed; we, therefore, propose to make an addition to by-law No. VII., as follows: "The directors for special reasons to be stated in their resolution may grant to any person in the employ of the bank, in addition to or in substitution for any allowance under the rules and regulations of the pension fund, such retiring allowance as they may decide." You will notice that before the directors can exercise this power they have to have special reasons for so doing and have to set them out in their resolution.

The next by-law is new. From year to year the bank has contributed to certain public, patriotic and special purposes certain sums which they have to submit to the shareholders at the annual meeting, and ask their approval of. This has now become almost an annual occurrence, and as there is a call upon the bank from time to time to recognize the inherent duty which it owes to the community in which it lives, by contributing to certain special, unexpected and deserving objects, the shareholders are now asked to pass a by-law, which, I think, will cover this point: "VIII.—The directors may from time to time contribute to public, patriotic or charitable objects sums not exceeding $5,000 in all in any one year." I now beg to move, seconded by Dr. Hoskin, that bylaws 1 to 9, as read to this meeting, be and the same are hereby enacted as the by-laws of The Canadian Bank of Commerce.

Dr. Hoskin—I have much pleasure in seconding that resolution.

The President—You have heard the resolution. May I add this, that there may be years in which we may be called upon for a larger sum than that mentioned here. We shall expect upon each of such occasions to come to the shareholders for their concurrence.

Mr. F. C. Bruce—I will now move that the thanks of the meeting are due and are hereby tendered to the President, Vice-President and other Directors for their careful attention to the interests of the bank. I am sure that the admirable report which has been read to us leaves no room for criticism; all we can expect and hope for is that we will have just as good a showing at the end of this year.

Mr. Henry Beatty—I have much pleasure in seconding the motion.

The President—While this may seem a perfunctory resolution, I am sure that we do not so consider it, and it is appreciated very much by the board.

Mr. Davidson—I think the next resolution deserves special notice and attention. I move, "That the thanks of the meeting be tendered to the General Manager, the superintendent of branches and other officers of the bank for the satisfactory discharge of their respective duties during the past twelve months."

We have looked at the financial statement which has been presented to us, but I am quite sure that there are very few of us who have any conception of what it is to manage one hindred and twenty-two millions of assets, and the mention of that sum does not seem to me to bring to our minds any adequate idea of what it really involves. I have never been a banker, but I have seen enough of banking and other business to know that it means the turning over of that sum a number of times every twelve months, and with the greatest possible care that the losses may be as small as possible.

Everyone must be satisfied with the courtesy which is extended to the customers of the bank. It is over thirty years since I first became a customer of the Bank of Commerce, and I have yet to learn of any one being treated with any want of courtesy. Its managers have been men of ability, resource and intelligence, and have been willing to use their qualities not merely for the benefit of the bank, but also for the good of their customers. That is one reason why the Bank of Commerce has developed as it has. The other officers of the bank have done their duty, and I think they well deserve a hearty vote of thanks.

Mr. F. J. D. Smith—I have much pleasure in seconding this motion. I am glad to endorse what has been said with reference to the courtesy of the staff.

Mr. Laird—I am sure that it is always gratifying to have this resolution passed at this meeting. We think that probably the rank and file of the bank's staff would feel somewhat discouraged and disappointed if this recognition of their efforts throughout the year was not made. They endeavor to do their full duty with loyalty to the bank. It is a rather difficult matter to manage a bank of this size, and probably the most onerous duty that we have to perform is to look after the staff. We try to make every young man who comes into the bank believe that he will receive every encouragement. We believe that we have done well during the past year and we recognize and appreciate your thanks, and go forward with the determination still to show our loyalty in good service to the Canadian Bank of Commerce.

In the course of our arrangements we have found it advisable to make a geographical division of the work of the bank, and it has given us very great pleasure and satisfaction to appoint Mr. Aird superintendent of central western branches. I will ask him to add a few words in reply to this resolution.

Mr. Aird—On behalf of the officers in the central western district I can assure the shareholders that the resolution is not looked upon by any of them as an empty compliment. I am sure that there would be a feeling of disappointment if they were to omit this from the minutes of their annual meeting.

The men in western Canada have many difficult positions to fill. The country is new and home comforts are not always to be got. Still I have yet to meet the man in western Canada who has failed to respond to the bank's call; in fact, the men out there regard themselves almost as soldiers with their knapsacks strapped on their backs ready to go at a moment's notice.

Mr. H. D. Warren—I have much pleasure in moving that the meeting do now proceed to elect directors for the coming year, and that for this purpose the ballot-box be opened and remain open until 2 o'clock this day, the poll to be closed, however, whenever five minutes shall have elapsed without a vote being tendered, the result of the election to be reported by the scrutineers to the General Manager.

Mr. E. R. Wood—I second the resolution.

The meeting was then adjourned and the scrutineers subsequently reported the following gentlemen to be elected as directors for the ensuing year:—B. E. Walker, C.V.O., LL.D.; Robert Kilgour, Hon. George A. Cox, M. Leggat, James Crathern; John Hoskin, K.C., LL.D.; J. W. Flavelle, LL.D.; A. Kingman, Hon. L. Melvin Jones, Frederic Nicholls, H. D. Warren, Hon. W. C. Edwards, Z. A, Lash, K.C., and E. R. Wood.

At a meeting of the newly-elected Board of Directors held subsequently Mr. B. E. Walker was elected President and Mr. Robert Kilgour Vice-President.

THE BANK OF NOVA SCOTIA.

The Loan Account Looks Well—The Statement of An Exceptional Institution.

The Bank of Nova Scotia's statement always contains points of great interest from the exceptional position it occupies in possessing a reserve fund that is nearly 180 per cent. of its capital and its well-defined policy of maintaining very strong cash reserves, these being (including the deposit with the Dominion Government for note circulation) 32 per cent. of the public liabilities, while the quick assets are 75 per cent. of these liabilities, a very high proportion, and reaching a new altitude in the bank's history.

The profits for the year have not been so high as in 1907, in fact, the decrease is $122,000, but it is to be remembered that during the gold famine in New York in the autumn of 1907 the Bank of Nova Scotia, through its ability to send gold from London and Canada to New York, scored probably a higher profit from this source alone than the present difference in earnings indicate.

Following the trend of the times the deposits have increased by over five million dollars, a gain of 19.3 per cent., which is one of the largest percentages of increase reported. The current loan item is one of the most salient features in the bank's statements under present conditions, and in the case of the Nova Scotia the increase in this item is a marked outstanding feature of the report. The total business loans are over $16,920,000, compared with $16,740,000, showing an actual increase of $180,000, which is most exceptional, as times now go.

The ultra-conservative character of the statement is shown by the provision of $100,000 for possible losses in connection with the liquidation of the Ontario and Sovereign Banks. This point is more fully discussed in another column, but we hope that next year Mr McLeod may, in spite of this provision be able to place a large portion of this careful provision in the shareholders' larder, that is to say, the reserve fund.

On Jan. 4th the amount of building permits issued in Vancouver was $275,000, which is taken as a happy augury of the best year the Pacific metropolis has known.

The financial report of Le Roi Mining Company for fifteen months ending September 30, 1908, shows a debit balance of £24,895; the deficit being due to the writing off of £40,800, spent on exploration and development work, etc. In the general balance sheet there is a surplus of liquid assets of £3,000 in excess of the total liabilities. The management hope for more satisfactory returns in the future when prosperity is renewed.

Besides Austria, Belgium, Holland, the Phillipine Islands, and various of the United States from Massachusetts to Oregon and Sunny California have, during the year paid their tribute to The Financial Post.

A Montreal firm recently wrote: "We consider The Post the best medium in Canada for those interested in investment securities."

THE LIQUIDATING BANKS

MR. McLEOD'S GLOOMY VIEW OF THE OUTLOOK.

The General Manager of the Nova Scotia Anticipates a Heavy Loss—Makes Provision in His Annual Statement—The Other Bankers Differ—No Loss Anticipated From the Ontario Bank by Any Bank—Too Early to Predict About the Sovereign—The Progress of the Latter Liquidation.

The two items in the annual statement of the Bank of Nova Scotia for an anticipated loss through the liquidation of the Ontario and Sovereign Banks of $50,000 each have occasioned very considerable comment. It is not a comforting thought to the shareholders of the existing institutions that after being called upon for their double liability there should be still a deficit of over $800,000 in the Ontario Bank case and an approximate amount in the Sovereign Bank's assets, if the Nova Scotia's share of the loss reached $50,000. Mr. H. C. MacLeod, general manager of the Bank of Nova Scotia, is renowned for his conservatism in the preparation of his annual statements. It is to be hoped that in this case he will have proved ultra-conservative.

Among the other banks participating in the guarantee it has been the custom in their annual statements to omit the mention of the guarantees, or to state that it is a liability in regard to which no claim is anticipated. Mr. McLeod's view of the matter is therefore radically at variance to the view of the other banks.

"The Post" has discussed the matter with a large number of the general managers of other institutions and they unanimously express the opinion that there will likely be no loss in relation to the Ontario Bank.

As regards the Soveriegn Bank, the liquidation is not sufficiently progressed to give positive views, but it is worthy of note that the bank officials in close touch with this liquidation do not anticipate the payment of any liability by the allied banks.

According to the statement of the Ontario Bank liquidators as of August 31st, the deficit was $781,926. Since then there has been a very considerable improvement in the situation. For example, the total amount of stocks owned at the current market quotations was $226,600, of which $191,400 was Minneapolis and St. Louis Railroad stock at 29. Since then it has advanced as high as 65 and the liquidators have realized considerably on a rising scale above 50 so that the appreciation in these shares will be over $160,000. The real estate at Port Arthur valued at $100,000 in August is now worth considerably more. In fact it is believed that $250,000 could be easily obtained. These two items would reduce the deficit to $470,000.

The only item left to consider is $1,111,199 of overdue debts, on which a deduction of $679,711 was made by the liquidators, which the latter say is proving quite sufficient. On the other hand Mr. MacLeod points to the very slow way in which these assets are being realized. One director of the Ontario Bank was of the opinion that the assets were working out much better than they could have expected, and after the liquidation was complete there would be a loss of only $250,000, which if the suit against the former directors was energetically pressed would be nearly provided for and that the Bank of Montreal rather than issue a double liability call would make up the deficiency. This view was too optimistic as the liquidators are already preparing notices to shareholders that a double liability call will be made. After this notice is sent out the amount of the call will be determined, but it is not anticipated by the liquidators that it will be more than fifty per cent. It is possible that this call will be resisted by a powerful section of shareholders on a technical ground.

The action against the old directors is also an expensive proceeding and it is probably in the vista of "consumptive litigation" that Mr. McLeod finds cause for his blue outlook.

In regard to the Sovereign Bank it is too early to predicate. The payment of the Lake Superior Corporation notes amounting with interest to $1,200 000 has advanced the liquidation to that extent. Much depends on the outcome of the Chicago & Milwaukee Electric Railway reorganization, which is proceeding favorably, and the Alaska Central Railroad, on which an optimistic report has just come to hand from the leading firm of English experts, Sir Douglas Fox and Partners, whose conclusion is that the project is thoroughly sound.

CANADIAN FAILURES.

Considerable Increase in 1908 Over the Previous Year.

Bradstreet's record of insolvencies in Canada for 1908 indicates a very considerable increase over the previous year but this condition was to be expected, just as the year 1907 showed a larger number than in the previous year, when people were in such a rush of "good times" that they had not time to discover where they stood. The figures follow:

Provinces.	No. of Failures. 1908	1907	Assets. 1908	1907	Liabilities. 1908	1907
Ontario	640	529	$2,493, 693	$2,138,340	$5,220,529	$4,468,728
Quebec	639	497	3,164, 302	1,806,770	8,542,340	4,692,298
New Brunswick	51	42	84, 914	179,150	205,600	403,588
Nova Scotia	47	57	175, 780	205,246	328,828	415,962
Prince Edward Is. ...	4	6	37, 665	11,900	68,766	24,100
Manitoba	119	109	809, 865	372,922	1,528,389	714,733
Alberta	88	43	348, 857	125,250	571,029	236,911
Saskatchewan	69	45	272, 750	279,400	495,528	472,664
British Columbia ...	55	33	456, 691	131,175	620,335	198,350
Yukon Territory	......	......	....	....	....	....
Total, Canada . . .	1,712	1,361	$7,844, 550	$5,250,153	$17,581,344	$11,627,334
Newfoundland	2	4	3,000	52,060	5,103	76,500

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Commercial and Municipal
Audits and Investigations
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Bank Building, Montreal

CREHAN, MOUAT & CO.
Chartered Accountants, Auditors,
Liquidators and Trustees.
27 Imperial Block Vancouver, B.C

Professional Directory

CHARTERED ACCOUNTANTS

TORONTO.

Clarkson & Cross.	33 Scott St.
Geo. W Dunbar.	Continental Life Bldg.
Wilton C. Eddis, F.C.A.	608-609 Continental Life. Bldg.
Edwards, Morgan & Co	20 King St W.
W. & R. M. Fahey.	McKinnon Bldg.
Jenkins & Hardy.	15½ Toronto St.
James F. Lawson	23 Jordan St.
Geo. O. Merson & Co.	16 King St. W.
A. C. Neff & Co.	40 Victoria St.
John I. Sutcliffe.	13 Adelaide E.
Rutherford Williamson.	92 Church St.
Ralph E. Young.	Canada Life Bldg.
John H. Young.	Empire Bldg.

MONTREAL.

Robert Miller. Shannon & Miller.	Sovereign Bk. Bldg.
Savage & Fisk.	Sovereign Bk. Bldg.

OTTAWA.

George L. Blatch.	193 Sparks St.

VANCOUVER, B.C.

Crehan, Mouat & Co.	27 Imperial Block.
Kendall, Sewell & Co.	Crowe-Wilson Chambers.

DETROIT, MICH.

F. H. Macpherson & Co.	Union Trust Bldg.

CONSULTING ENGINEERS

TORONTO.

Bowman & Connor.	36 Toronto St.
Willis Chipman.	103 Bay Street.
Gait & Smith.	23 Jordan St.
Andrew F. Macallum.	Continental Life Bldg.
Edward B. Merrill.	Lawlor Bldg.
Charles H. Mitchell.	Traders Bk. Bldg
Roderick J. Parke.	205 Yonge St.
James C. Royce.	Continental Life Bldg.
Smith, Kerry & Chace	Confederation Life Bldg.
Wells & Raymond.	19 Wellington St. West.
Jno. S. Fielding	15 Toronto St

MONTREAL.

De Caspe Beaubien.	Liverpool, London & Globe Bldg.
Walter J. Francis.	Sovereign Bank Bldg.
J. E. Hardman.	Liverpool, London & Globe Bldg.

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Chas. F. Wagner.	15 Toronto St.

ELECTRICAL ENGINEERS

Death & Watson.	25 Jarvis St.

MINING ENGINEERS

TORONTO.

J. B. Tyrrell.	9 Toronto St.

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Fetherstonhaugh, Dennison & Blackmore.	18 King St. W.

Business Directory

SIGNS OF ALL KINDS

G. Booth & Son.	21 Adelaide St. W.

Detective Agencies

TORONTO.

Noble's Dominion Detective Agency.	Traders Bk. Bldg
Toronto Detective Agency.	36 Toronto St.

C. J. TOWNSEND & CO.

The undersigned have received instructions from

The Consumers' Gas Company

of Toronto to sell by public auction to the highest bidder, at the hour of 12 o'clock, noon, on

Tuesday, January 19th, 1909

at 66-68 King Street East, Toronto,

5,000 Shares, $250,000

in lots of 10 shares each of the capital stock of the company, and ordered by the Board of Directors, under the authority of an act passed by the Legislature of Ontario in 1904.

C. J. TOWNSEND & CO.,
Auctioneers.

CHEAP MONEY AND THE DEPOSIT RATE

Though the recent action of the Canadian Bankers' Association, in deciding up on the abolition of the much advertised quarterly payments of interest on savings bank balances, is commonly supposed to have resulted from the passing of the Sovereign Bank and its methods, it can be taken for granted that another factor had also something to do in influencing the Association's decision. This second factor always becomes powerful during the periods of flatness or slackness that follow the important financial crisis. It is the cheapening or reduction that has taken place in the value of money or credits.

All the important investing classes—insurance companies, banks, other corporations, and individuals—recognize clearly that in the long run the general rate of interest in America tends to get lower. As a matter of fact statistics show that its gradual decline is broken at intervals by more or less important rises. The last of these rises occurred prior to the 1907 panic. While the stringent money period then lasted investors were able to put their funds out at satisfactory rates. But those times are past; the interest rate has fallen into the depths again. Parties with money to invest cannot now get anything like the return they got a year and a half and two years ago.

One thing to be remembered is that the last preceding trade depression, or cheap money period, was marked by a reduction in the rate of interest paid depositors in the two departments of the government savings banks from 3½ to 3 per cent This occurred in July 1897; and the chartered banks promptly put down their deposit rate, also from 3½ to 3 per cent. It was that lowering of the deposit cent. It was that lowering of the deposit rate that permitted the bringing down of discount rates to the figures that have prevailed during the last ten years. It is to be observed that during the recent stringency the banks did not find it practicable to make any material increase in the general rates of discount charged their borrowers. To be sure in special instances they were able to get an extra ½ per cent or 1 per cent; but the very large borrowers' rates were not generally raised on their regular lines. Bankers were, however, able to secure increased remuneration on these accounts in some instances by way of commission or incidental charges, or through ceasing to perform some services free.

With the passing of the stringency the old steady competitive pressure is again at work tending to lop away the incidental profits attaching to the good accounts, and also to weaken discount rates in general. Each one of the fifteen or sixteen important banks has a superfluity of cash on hand. The managers and officers of each never forget that the taking over of a good $150,000 or $200,000 account from a competitor would provide a welcome employment for some of the idle cash. So they keep themselves informed, when possible, of the rates and terms paid by the desirable borrowers dealing with other banks in their respective localities. Much ingenuity is exercised sometimes in contriving schemes and proposals that will avoid the straight cut in discount rate and yet provide the customer of another bank with an incentive for changing his account. When the customers own banker finally meets the offer of the interfering competitor, as he sometimes has to do to hold his customer, the effect on banking profits is, of course, much the same as if the discount rate had been cut.

In the depression of the "nineties" there were no new banks in the field, but the competition of the old banks for good discount accounts was very strong. If the present depression lasts a couple of years it is certain that the same fighting and manoeuvering will be extensively seen. Already it has made its appearance in certain districts and has cut down the profits. So with the revenues declining the banks have had to give more thought to the question as to how expenses could be cut down. Everybody, pretty much is expecting that prosperity and activity will return within a short while. Sometimes such expectations are disappointed, but if they are realized in this instance no further thought will likely be given to the question of a flat reduction in the deposit rate to 2¾ or 2½ per cent. If cash continues to pile up in the banks with no employment offering except foreign call loans at 2 per cent. or a little better and no immediate prospect of improvement in the situation, the banks will ultimately be compelled to consider a reduction in their bid for money, in other words in the deposit rate.

The benefit which they derive from crediting interest on saving accounts half-yearly instead of quarterly is more through the abolishing of an inconvenience than a direct gain in revenue. The quarterly crediting necessitates a lot of troublesome work for no very important object. The first advertising of the scheme by the Sovereign Bank was a good deal in the nature of "catching" depositors with a shadow. Not many savings account depositors carry balances in excess of $5,000. Taking an account with a steady balance of $10,000 right through the year the depositor gains exactly $1 through having his interest credited quarterly instead of half-yearly. On a balance of $5,000 the gain in a year would be 50 cents. These figures show that depositors will not notice much difference in their annual interest when the change back again is instituted. And, taking the banks as a whole, assuming that of the 400 odd millions of notice deposits 200 millions are in the savings departments, the result of crediting interest half-yearly instead of quarterly will be to save the banks in the aggregate a little less than $23,000 a year, which would not amount to much divided among thirty institutions.

THE COMMERCIAL HANDBOOK.

An Indispensable Annual That Makes Advances Every Year.

The development of Canada in the present and the tremendous strides it will make in the near future render our annual handbooks of especial interest and value. It is pleasant to realize that we have begun aright and that in such annuals as "The Commercial Handbook" (Heaton); "The Annual Financial Review," (W. R. Houston), and "The Canadian Annual Review," (Hopkins), we have three very admirable publications. The "Commercial Handbook," of which the fifth edition is just to hand, is edited by Ernest Heaton, B. A., and J. Beverley Robinson. It is an essential to any business man in Canada and to anyone outside the country who is interested in its resources. It contains a remarkable array of useful facts and statistics.

It rightly claims to be the most complete exposition of the Customs Tariff, as it contains not merely all the items, but the changes which are rendered necessary by rulings and regulations, these being corrected and amended up to date.

The second part, under the heading, "The Canadian Encyclopedia," is practically a digest of the latest official reports of the Dominion and Provincial Governments, arranged alphabetically, in concise paragraphs, under such headings as "Agriculture," "Agricultural Lands," "Area," "Commerce," "Finance," "Fisheries," "First Things in Canada," "Forests," "Immigration," "Manufactures," "Mining," (including every mineral found in Canada, with occurrences and last year's output), Mining Companies operating in Canada, Temperature and Rainfall, etc., etc., In concise form complete information is given in each item and infinite pains have been taken to ensure accuracy.

In this relation the mining department is of especial value in giving the chief occurrences of minerals, the last annual output of each producing property and a list of companies.

There are so many varied forms of information contained in its 400 pages that it would take another compendium to retail them so compactly and concisely are they arranged.

THE STANDARD EXCHANGE.

The Twelfth Annual Meeting—The Committee for 1908.

The Standard Stock and Mining Exchange held its annual meeting at the King Edward Hotel on January 12th. The president, Mr. William C. Fox, gave a brief, but eloquent address, in which he referred in a touching manner to the demise of the late secretary, Mr. Geo. H. Dunstan. It was the twelfth annual meeting under the old charter, and the first under their new charter, which had avoided the limited liability company feature inconsistent with a stock exchange seat. He said the change was largely due to the insistent advocacy of their respected member, Mr. E. S. Cox, to whom also was due the chief credit of the "clearing house" system now established.

The following officers were elected:—

President, William C. Fox, by acclamation.

First Vice-President, J. L. Mitchell.

Second Vice-President, J. M. Wallace.

Secy.-Treas., E. Strachan Cox.

The following committee was appointed for the ensuing year: D. G. Lorsch, O. Heron, J. A. McCausland, J. T. Eastwood, Geo. Hill, F. A. Hull, J. A. Gormally, L. Lockwood.

CONSERVATISM AND COBALT.

In their weekly letter, Heron & Co. say: While the volume of business in Cobalt stocks during the week has been well up to recent averages, there has been a lack of that investment demand that the present level of values warrants. The market has been very erratic and without a definite trend, and this no doubt has prevented a larger public following but sentiment is decidedly hopeful, and with conditions throughout the camp so entirely favorable—most important of all is the steady rise in the price of silver—the present uncertainty cannot continue much longer. The rapid growth of the silver area adjacent to Cobalt is justly attracting a widening interest, but until the newer districts are proven to a greater extent than they are at present, conservative investors may very wisely devote their attention to the rich opportunities now offering in the listed shares of the Cobalt camp.

The Nipissing mine for the year 1908 produced 7,062,527 pounds, yielding 2,897,446 ounces of silver. The net value of the ore, f.o.b. Cobalt, was $1,384,417, which means that the mine received a fraction less than 49 cents an ounce. The ore averaged 19 cents a pound. The statement showing operating costs has not yet been compiled.

Seventy-seventh Annual Report

BANK OF NOVA SCOTIA

Capital, $3,000,000 **Reserve Fund, $5,400,000**

BOARD OF DIRECTORS—John Y. Payzant, President; Charles Archibald, Vice-President; R. L. Borden, G. S. Campbell, J. Walter Allison, Hector McInnes, H. C. McLeod

HEAD OFFICE - - - - - HALIFAX, N.S.

GENERAL MANAGER'S OFFICE - - TORONTO

H. C. McLEOD, General Manager

D. WATERS, Asst. Gen. Manager **H. A. FLEMMING, Sec'y to the Board** **GEO. SANDERSON, C. D. SCHURMAN, Inspectors**

BRANCHES.

Nova Scotia.—Amherst, Annapolis Royal, Antigonish, Bridgetown, Canning, Dartmouth, Digby, Glace Bay, Halifax, Kentville, Liverpool, New Glasgow, North Sydney, Oxford, Parrsboro, Pictou, River Hebert, Springhill, Stellarton, Sydney Mines, Truro, Westville, Windsor, Yarmouth.

Prince Edward Island.—Charlottetown, Summerside.

New Brunswick.—Campbellton, Chatham, Fredericton, Moncton, Newcastle, Port Elgin, St. Andrews, St. George, St. John (Prince William Street), St. John (Charlotte Street), St. Stephen, Sackville, Sussex, Woodstock.

Newfoundland.—Harbor Grace, St. John's.

Quebec.—Grand River, Montreal, New Richmond, Paspebiac, Quebec.

Ontario.—Arnprior, Barrie, Belmont, Berlin, Brantford, Burlington, Hamilton, Harrietsville, London, Ottawa, Peterborough, St. Catharines, St. Jacobs, Toronto (King Street), Toronto (Dundas Street), Welland, Woodstock.

Manitoba.—Winnipeg.

Saskatchewan.—Regina, Saskatoon.

Alberta.—Calgary, Edmonton.

British Columbia.—Vancouver.

West Indies.—Cienfuegos, Cuba; Havana, Cuba, Kingston, Jamaica; Mandeville, Jamaica; Montego Bay, Jamaica; Port Antonio, Jamaica; Port Maria, Jamaica; Savanna-la-Mar, Jamaica.

United States.—Boston, Chicago, New York Agency.

CORRESPONDENTS.

Great Britain.—Royal Bank of Scotland and Branches.

France.—Credit Lyonnais and Branches.

Germany—Dresdner Bank and Branches.

United States.

New York.—Bank of New York, N.B.A.

Boston.—Merchants National Bank.

Chicago.—First National Bank.

Philadelphia.—Fourth Street National Bank.

Baltimore.—Citizens National Bank.

San Francisco.—Canadian Bank of Commerce.

Minneapolis.—First National Bank.

PROFIT AND LOSS.

1908.	Mar. 31.	To Dividend No. 153 at 12% per annum, payable 1st April, 1908	$ 90,000 00	
	June 30.	" Dividend No. 154, at 12% per annum, payable 2nd July, 1908	90,000 00	
	Sept. 30.	" Dividend No. 155, at 12% per annum, payable 1st October, 1908	90,000 00	
	Dec. 31.	" Dividend No. 156, at 12% per annum, payable 2nd January, 1909	90,000 00	
		" Contribution to Officers Pension Fund	15,000 00	
		" Written off Bank Premises Account	100,000 00	
		" Provision for anticipated loss through guarantee of $200,000 in connection with liquidation of the Ontario Bank	50,000 00	
		" Provision for anticipated loss through liquidation of Sovereign Bank of Canada	50,000 00	
		" Balance carried forward	55,741 78	
				$630,741 78
1907.	Dec. 31.	By Balance	$ 71,164 20	
1908.	Dec. 31.	" Net profits for current year; losses by bad debts estimated and provided for	559,577 58	
				$630,741 78

General Statement as at 31st December, 1908

LIABILITIES.

Deposits not bearing Interest	$6,418,908 81	
Deposits bearing Interest	24,667,959 23	
Interest accrued on Deposits	131,230 93	
		$31,218,098 97
Deposits by other Banks in Canada.	242,339 96	
Deposits by other Banks in the United Kingdom	21,864 57	
Deposits by other Banks in Foreign Countries	691,155 88	
		955,360 41
Notes in Circulation	2,888,974 89	
Drafts drawn between Branches outstanding	923,476 26	
		3,812,451 15
		$35,985,910 53
Capital paid up	$ 3,000,000 00	
Reserve Fund	5,400,000 00	
Reserve for loss in liquidating insolvent banks	100,000 00	
Profit and Loss, balance carried to 1909	55,741 78	
Rebate of Interest @ 6% on Time Loans	114,560 72	
Dividend Warrants outstanding	435 00	
Dividend No. 156, payable 2nd January, 1909	90,000 00	
		8,760,737 50
		$44,746,648 03

Note: A contingent liability of $200,000 in conjunction with several other banks in connection with the liquidation of the Ontario Bank, is not fully expressed in the above statement.

The latest return from Mandeville, Jamaica, is dated December 23rd, 1908, and the figures thereof are incorporated herein.

ASSETS.

Specie	$ 2,399,623 44	
Dominion Notes—Legal Tenders	2,598,022 25	
Notes of and Cheques on other Banks	1,865,707 69	
Due from other Banks in Canada	574 94	
Due from other Bank in Foreign Countries	1,953,006 11	
Sterling Exchange	1,218,349.73	
		$10,035,284 16
Investments (Provincial, Municipal and other Bonds)	6,699,958 95	
Call Loans, secured by Bonds, Debentures and Stocks	6,391,511 01	
Call Loans, secured by Grain and other Staple Commodities	3,675,727 67	$26,802,481 79
Deposits with Dominion Government for security of Note Circulation	$ 151,236 81	
Loans to Provinces and Municipalities	338,341 13	
Current Loans, secured by Bonds, Debentures and Stocks	1,099,509 41	
Current Loans, secured by Grain and other Staple Commodities	1,183,780 25	
Overdrafts, secured	159,295 63	
Overdrafts, authorized but not specially secured	88,738 37	
Notes and Bills discounted and current	13,436,121 15	
Notes and Bills overdue	714 35	
Advances to the Sovereign Bank of Canada in connection with its liquidation	613,860 18	
Bank Premises	850,409 48	
Stationery Department	22,159 48	17,944,166 24
H. C. McLEOD, General Manager.		$44,746,648 03

AUDITORS' REPORT.

We hereby certify that we have personally checked the cash on hand at Halifax, St. John, Montreal and Toronto. We have also verified the securities held as investments, personally examining those held by the Canadian branches of the Bank, and procuring certificates by responsible business men, not in the employ of the Bank, certifying to the existence of the remainder of these securities.

We have further to report that having examined the foregoing Balance Sheet, and having compared the same with the books of the Head Office, and the certified returns from the branches, we are of the opinion that it is a full and fair Balance Sheet, exhibiting a true and correct view of the Bank's affairs as at 31st December, 1908.

J. MAXTONE GRAHAM, C.A., Edinburgh.
D. H. HUIE, C.A., Edinburgh.

BANK OF NOVA SCOTIA

INCORPORATED 1832

Capital - - - - $3,000,000
Reserve Fund - - - - $5,400,000

Head Office: HALIFAX, N.S.
General Manager's Office TORONTO

A general banking business transacted

Savings Accounts opened by deposit of $1 or over
Interest added quarterly.

FOR THE INFORMATION OF DEPOSITORS

The Books and Statements of this Bank are annually submitted to an examination by strictly independent auditors.

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Cobalt and other ores.
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TORONTO
Member Standard Stock Exchange.

Cobalt Shares Firmer

UNDER THE INFLUENCE OF KERR LAKE'S PROSPECTS.

A Campaign in Bailey in New York—The Foster is Looking Better—Cobalt Lake's Energetic Policy—The La Rose December Statement—The Shipping Record for the New Year.

The Cobalt market, after the holiday dullness, is showing signs of renewed activity. As pointed out last week the proposed flotation of the Kerr Lake Mining Company shares in London is an event of paramount interest to London. At last we shall have a fully representative Cobalt dividend-payer to stand sponsor for the camp at the world's financial centre. It is not unlikely that the Lewisohn interests, which are now in control, have engaged the Rothchilds' interest. The Rothchilds have considerable confidence in Mr. John Hays Hammond's opinion and it was the optimism of his expert opinion which caused the unfortunate ebullition of Nipissing speculation, which set back, contrary to his intention, the Cobalt dial in the watchful opinion of New York. In anticipation of the prospective arrangements in London Kerr Lake shares advanced on Monday to a new high point, $8. The dividend for the current quarter has been increased from 3 to 4 per cent., payable March 15th, which has also been an assistance in the appreciation of the stock.

While a really good mine is thus being offered in London, a campaign in New York has been inaugurated in one of the least representative properties, the Bailey Cobalt. This prospect, which shipped 30 tons in 1906, is capitalized at the absurdly high amount of $5,000,000, of which $750,000, which is left in the treasury, will, it is now stated, be cancelled. A syndicate of brokers are booming the stock and on Monday, when it was listed on the Produce Exchange, 46,800 shares were ostensibly dealt in, starting at 22 cents, and selling as high as 25 cents, closing at 23 cents.

Crown Reserve, as a result of a tolerably harmonious meeting, at which the opposition of Mr. J. Brooks did not develop anything material, appreciated during the week.

The December statement of La Rose was eminently satisfactory and shows that the production is maintained in a most satisfactory manner. The December statement is as follows:

	Tons	Ounces silver	Net Value
Shipments	486	96,078	$35,672
On hand Dec. 31	232	248,518	117,745
	718	344,596	$153,417
On hand Nov. 30	99	72,978	31,339
Dec. production . .	619	271,618	$122,078
Estimated operating expenses		$24,253	
Township taxes for 1908		4,677	
Part of 3 p.c. royalty tax for 1908		3,000	$31,930
Oper. profit for Dec.			$90,148
Construction account			4,187

This brings the net profits for the seven months since the La Rose merger was effected to $643,783. In other words in seven months the company very nearly made its total dividend for the entire year.

	Tons	Oz. sil.	Nt. pft.
Total from June 1	3,518	1,763,081	$643,782
Total construction			11,335

The two disappointments, Cobalt Lake and Foster, are showing improving tendencies. At the annual meeting of the Cobalt Lake Company held in Cobalt last week, the shareholders were impressed with the energetic manner in which development had been done under Mr. E. S. Fralick's superintendence. The company has enough funds to prosecute their forward policy for another year and if nothing is found it will be the hardest kind of luck.

Foster stock has been firmer during the week. We are advised that better values are now being encountered and while no rich vein matter has been disclosed, the indications are such that the directors feel encouraged.

The Nipissing Mining Company during December mined ore of an estimated value of $132,635, and shipped ore of an estimated value of $148,000. An important development of the month was the cutting of vein No. 100 from the 70-foot level of the Fourth of July shaft. Where first encountered the vein had a width of from 1 to 4 inches and assayed from 2,500 to 3,000 ounces. Sinking continues at this shaft, which is now down 121 feet. At the Meyer vein the west drift has been prepared for stoping. The vein shows a width from 2 to 8 inches, averaging 3,500 ounces over a distance of 40 feet.

At the Kendall shaft drifting proceeds both ways on new cross vein. At the present time the north vein has faulted. Previously this vein averaged 4 inches in width and assayed 2,000 ounces. Just before the fault, the vein was 11 inches wide of solid cobalt containing leaf silver. On the south end the vein has split into three stringers, each averaging an inch in thickness and assaying from 1,500 to 3,500 ounces. At present the company is following the middle vein, which is in excellent condition, and both drifts show up 150 feet of ore averaging 3 inches of 3,000-ounce ore.

The shipments have begun well, considering the holidays, and for the first week in January were 388.93 tons. The shipments made the previous week on Jan. 2nd were 58.58 tons, so that the total is 447.51 tons, not the amount stated in the daily papers, which was arrived at by adding all the shipments of the week beginning Dec. 28th.

(Continued on page 15.)

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COBALT SHARES FIRMER.

(Continued from page 14.)

The shipping record follows:

Week ending Jan. 9.

Jan 4—La Rose, Denver	32.30
5—La Rose, Denver	32.50
8—La Rose, Copper Cliff	31.98
	96.78
5-6—Nipissing, Newark	63.75
4—Nancy Helen, Copper Cliff	20.00
4—Chambers-Ferland, Denver	40.00
4—Coniagas, Thorold	27.82
5—Cobalt Central, Copper Cliff.	20.00
7—Hudson Bay, Denver	40.00
7—Buffalo, Copper Cliff	22,12
8—McKinley-Darragh, P. Amboy	22.01
8—Muggley Con., P. Amboy	36.45
Total tons	388.93

Shipments to the Denver smelter are usually low grade; to Perth Amboy second grade, and to Copper Cliff high grade.

Year to date.

	Tons.
Buffalo	22.12
Chambers-Ferland	40.00
*City of Cobalt	31.55
Cobalt Central	20.00
*Coniagas	54.85
Hudson Bay	40.00
La Rose	96.78
McKinley-Darragh	22.01
Muggley Concentrator	36.45
Nancy Helen	20.00
Nipissing	63.75
	447.51

* Concentrates.

Yearly Shipments.

Mine or Company.	1904.	1905.	1906.	1907.	1908.
Buffalo		200.80	992.80	1,241.54	492.37
Casey Mountain		......	......	......	20.00
Chambers-Ferland		......	......	......	251.95
City of Cobalt		......	......	50.61	765.78
Cobalt Central		......	......	77.33	278.97
Cobalt Lake		......	......	......	202.94
Cobalt Townsite		......	......	143.22	174.24
Colonial		......	15.00	40.38	......
Coniagas		30.60	422.02	2,447.37	612.11
Crown Reserve		......	......	......	637.96
Drummond	.50	32.15	274.70	104.13	1,071.94
Foster		83.85	117.00	312.13	188.65
Green-Meehan		......	37.03	98.39	......
Hudson Bay		......	......	142.53	1.110.04
Kerr Lake		54.95	158.35	319.76	633.49
King Edward		......	......	31.12	119.35
La Rose	90.05	607.86	854.61	2,815.45	4,931.89
Lawson		14.61	......	61.12	......
McKinley-Darragh	24.00	447.09	80.40	742.42	1,831.05
Nancy Helen		......	......	30.10	201.67
Nipissing	57.00	486.02	2,125.08	2,538.26	3,615.62
Nova Scotia		......	43.95	272.21	264.08
O'Brien		26.32	114.18	1,491.61	3,462.21
Peterson Lake		......	......	......	40.67
Provincial		......	......	......	75.84
Red Rock		......	......	45.71	......
Right-of-Way		......	46.25	129,37	768.10
Silver Cliff		......	......	......	181.55
Silver Leaf		9.00	......	46.36	186.79
Silver Queen		*44.73	130.94	478.57	998.54
Temiskaming		......	......	204.32	733.97
Temiskaming Cobalt		......	20.47	67.98	......
Trethewey	20.00	218.58	198.48	833.58	1,408.53
University		16.00	155,28	60.23	......
Violet		16.00	20.00	......	......
Watts		19.00	......	......	250.61
Total	191.55	2.336.01	5 836.59	14,851.34	25,510.91

Miscellaneous shipments not stated above but appearing in totals are Bailey 1906, 30 tons; Imperial Cobalt, 1907, 14.61 tons; Princess, 1907, 3.93 tons; Hargraves White Silver Mining Co., 1905, 28.45 tons. The shipments from the Silver Queen in 1905 were made by the then owners, Temiskaming & Hudson Bay Company.

These totals are collated from the weekly shipments. The final smelter returns make a difference on account of moisture and careful weighing, which will explain the difference in the figures.

Total Output.

	Tons.	Silver Ounces.	Total Value.
1904	158	206,875	$ 136,218
1905	2,144	2,451,356	1,473,196
1906	5,335	5,401,766	3,764,113
1907	14,788	10,023,310	6.301,095
1908	25.430	*17,000,000	*8,500,000

* Estimated.

REVIEW AND OUTLOOK

The following expressions of opinions are continued from last week:

Basis Unusually Sound.

Mr. James B. Forgan, President of the First National Bank of Chicago, himself a Canadian, and one who is recognized as a kneen observer and student, deals with the situation in the U. S., which must necessarily have its influence in Canada. He writes The Financial Post:

"The recovery of business to normal conditions has been so rapid that the panic of a year ago is already regarded as a matter of ancient history. Business has not yet. of course, recovered, either the vigour or the volume which it had attained prior to the panic, but those were abnormal then as shown by the high prices for commodities as well as by the high rates for money which then prevailed. There are still some disturbing elements which retard the restoration of confidence and the return of prosperity, such as the tariff revision and the attitude of the new administration at Washington towards corporations. With these questions unsettled, however, we are not without symptoms of an improvement in business. Commodities are regaining some of their lost values, stocks of goods have been greatly reduced by consumption and orders for their replenishment are now reviving the manufacturing industries, the amount of money actively in use in business largely reduced as a result of the panic is again perceptibly increasing and altogether there seems nothing in prospect to prevent the year 1909 being generally. if but moderately, prosperous. It is certain that both commerce and banking are now on an unusually sound basis. The water has been squeezed out of stocks, the wind out of business inflation, both commerce and credits have been curtailed, failures with their losses have resulted, but they have been met, and now we are, it seems to me, ready for a forward business movement. At the time of the panic business came to a sudden halt. during the first months of 1908 it "marked time," as the fall approached it commenced to march forward slowly, recently the indications are that it has started on the "quick march," and my hope is that it may be a long time before it again breaks into a "double run."

Merchants Asking for Discounts, not Loans.

Mr. H. Laporte, formerly Mayor of Montreal, head of the wholesale house of Laporte, Martin Co., Limited, and president of La Banque Provinciale, spoke most optimistically in regard to the financial situation of the year and at present. During the year, he said to The Post, that business has met with certain curtailment, but it was balanced by wisdom, and conservative management everywhere. In the Province of Quebec, collections had been good all the year. Almost normal conditions existed. Trade had not increased greatly in volume but the quantity of bad business was limited. Their business in the bank and in a loan company, of which he was a director, had been exceptional. In the Great Northwest their collections in the loan company had been surprising. They collected twice a year in June and in December. In December there was a decided improvement and the manager reported to the Board that by the fifteenth the amount of money that had come in on loans, unsolicited from British Columbia and the West, surpassed all record. The country merchant had not overstocked himself and his shelves were not congested with antique stuff. The year's outlook was most promising and he believed that if there was no undue excitement in trading this year of 1909 would be a grand one. The flexibility of the Canadian farmer was shown in his promptness to take advantage of discounts. When the farmer was well off it was common sense that all the commercial fabric would be well affected. Speaking for Montreal and as far East as the Maritime Provinces, he was glad to say that none of their customers were seeking credit. In fact, the boot was on the other foot and many of them were taking their discounts. His observations of the winter trade, based upon long years of observation, were that the holiday trade was excellent, owing to the fine sleighing and the copious snowfall which stimulated the circulation of money all through the Province of Quebec. The farmers could get out and sell their produce and so money was circulated by exchange all along the line."

Business Satisfactory But Not up to 1907

Mr. A. E. Kemp, President of the Kemp Manufacturing Company and a director of the Bank of Commerce, says:

"The business depression of 1907-8 appears to be passing away, a healthier condition prevails, doubtless caused by a general reduction in stocks of merchandise and liabilities, and the adoption of a more conservative policy by business men.

"While the volume of business for 1909 may be satisfactory, I do not think that it will be as great as that of 1907, which was abnormal."

Great Expansion Likely.

Mr. C. J. McCuaig, of Montreal, who is one of the keenest observers among the brokers, writes on the great expansion in prospect. He says:

"Canada has successfully weathered the financial storm which at the early part of the year threatened to ruin many railway and industrial corporations in the United States. The ease with which this was done without any apparent disturbance of financial conditions in this country is an evidence of the soundness of our banking institutions and the conservatism of our industrial corporations.

"With several years of assured prosperity ahead of us, and with our industrial and financial institutions in a position to take advantage of the good times, Canada should make very substantial progress. During the next few years a record will be made in railway building, as in addition to the Grand Trunk Pacific and the National Transcontinental lines, the Canadian Pacific will double-track a considerable portion, and the McKenzie and Mann system will also expand. The enormous expenditure on this account will insure prosperity to our steel industries, while the steady influx of population will mean an expanding demand for all classes of manufactured articles.

"Never in the history of this country has its enormous natural wealth been so fully appreciated, both at home and abroad. The great wealth of the Cobalt camp, now proved to be one of the greatest, if not the greatest, silver camp in the world, the greatly increased production of asbestos, of which Canada supplies 90 per cent. of the output of the world, the enormous deposits of iron, copper and nickel already proven, the vast timber resources of the country which are being called upon to supply the depleted forests of our neighbors to the south, and our cheap agricultural lands, which are second to none in the world, all combine in placing Canada to the fore in the eyes of great foreign capitalists who are now making large investments here.

"Under such conditions as these it must be evident that this country has a brilliant future."

A Very Encouraging Outlook.

Mr. W. P. O'Brien, member Montreal Stock Exchange, also closely identified with the Crown Reserve Mining Co., says:

"The outlook for the market is most encouraging. The large crops of last fall, cheap money, and the tremendous inpour of British capital into the country and the great absorption of Canadian securities by European investors has given the stock market a solid foundation, and nothing but a calamity can retard Canada's natural progress within the coming twelve months.

"Though many stocks since the fall of the year have risen sharply, others have yet to discount the improved conditions of trade and commerce. The easiness of money and the natural inherent bullishness of Canadian people will tend to stimulate a great broad market for Canadian securities for the year.

"In the local list the following stocks on account of their merit and investment returns, will appeal strongly to investors: C.P.R., Soo, Montreal Power, the McKays, Textile Preferred, Lake of the Woods, Ogilvie common and Crown Reserve.

"When mentioning the last stock the Cobalts should be given their place as a field for speculative investment; such properties as the La Rose, Nipissing, Kerr Lake, Temiskaming, Trethewey Coniagas and many other worthy Cobalt properties can now be regarded as permanent investments.

"The recent depreciation of silver, while practically meaning the closing down of the Montana and Mexican mines where mining is done at a cost of 40 cents an ounce, throws no damper on the ardour of Cobalters, as the cost of production there is on the average of ten cents an ounce."

One Business That Scored.

Dr. Milton L. Hersey, president of the Milton, Hersey Co., Ltd., chemists, engineers and inspectors, stated:

"In 1908 we observed a marked increase all along the line of our business. The demand for the services of analytical chemists and testers by importers of both raw and manufactured materials was greater than any other year in the twenty years of our experience in this country. The same is quite true of our engineering and inspection departments, and in our opinion, this all augurs well for branches of our professional work in 1909."

Investment Opportunity Here.

McDougall & Cowans, stock brokers, Montreal, Quebec and Ottawa, and members of the Montreal Stock Exchange, say:

"The principal feature of our business in the past year has been the investment demand—this buying having been of the very best kind. London having been a very large buyer of our securities, and Canadians who have never thought of putting their money into stocks or bonds, took advantage of the many bargains that were offered during the year and now have good reason to be well satisfied with their investments which show them handsome profits and an increased income.

"Canadians have reason to feel encouraged. Business conditions are steadily improving and we feel that the outlook for 1909 points to increased prosperity and that the holders of Canadian securities will be rewarded by further increases in value and possibly in many cases of increased returns.

"We believe that our securities offer as great, if not greater opportunities than those of any other country, and that Canadians having money to invest should keep this fact before them."

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(c) An immense reef of gold-bearing quartz extends for about a **mile** across these claims, and averages nearly 50 feet in width. There are also several veins from 4 to 6 feet wide. Surface assays from $2.40 per ton upwards. Leaf gold and nuggets have been found on surface.
(d) Quartz and geological conditions similar to the Rand, South Africa; but there are no sulphides, all free milling quartz.
(e) Shaft down 30 feet and development work being pushed vigorously.
(f) **Five** favorable reports in prospectus—**three** from reliable mining engineers.
(g) Directors: **President**, J. W. Garvin, B.A., of Peterboro' and Toronto; **Vice-President**, E. S. Edmondson, Esq., General Manager of West Toronto and Oshawa Electric Power Companies; **Sec.-Treas.**, D. A. McPherson, M.D., Toronto; J. H. McKnight, Esq., President of J. H. McKnight Construction Co., Ltd., Toronto; Charles Salkeld, Esq., Cobalt, and Charles Holt, Esq., Solicitor, London, Eng.
(h) No promotion stock. Original owners amalgamated their properties into a joint stock company. Qualification for Director, 1,000 shares.
(i) Directors own 384,500 shares; two Directors were among the original owners of the claims; the other four purchased their stock.
(j) First 100,000 shares of Treasury stock to be sold at the nominal price of 20 cents a share. Brokers' commission not to exceed 5 cents a share.
(k) For a copy of the prospectus filed with the Provincial Secretary, which contains full particulars, apply to J. W. Garvin & Co., Financial Agents, 29 Manning Arcade, 24 King W., Toronto, Ont.

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ACTIVE STOCKS

Par Value	Capital Stock Outstanding	Reserve Fund	Profit and Loss		Last Dividend		STOCK	Range for year 1907		Range for twelve months, 1908				Closing one year ago, Jan. 17.		Friday, Jan. 15.		Range for week days ending Jan. 14th, in market of activity				
					Date	Per cent		High	Low.	High	Date	Low	Date	Ask	Bid	Ask	Bid	First	High	Low	Last	Sales
							BANKS															
50	10,000,000	6,000,000	161,245	....	1st Dec.	q. 2	Commerce	180	153	171½	Dec.	*155	May	162	....	....	177	172	178	172	178	317
50	3,983,392	4,981,732	302,996	....	1st Jan.	q. 3	Dominion	267	215¾	246	Nov	216	Jan.	222	....	246	244	242	245	242	245	197
100	2,472,860	2,472,860	301,097	....	1st Dec.	q. 2½	Hamilton	217	180	205	Nov	185	Apl.	....	190	....	201	201	201	201	°201	27
100	5,000,000	5,000,000	475,915	....	1st Nov.	q. 2¾	Imperial	230	195	234½	Dec.	209	Apl.	....	*	....	*230	234	234	234	234	85
100	6,000,000	4,000,000	400,998	....	1st Dec.	q. 2	Merchants	170	150	166	Nov	151	Aug.	....	155	164	160	164	164	164	164	5
100	1,000,000	1,000,000	277,404	....	1st Jan.	q. 2	Metropolitan	192½	192	....	....	....	....	....	....	....	....	....	....	....	....	....
100	3,416,100	3,416,100	153,684	....	1st Jan.	q. 2½	Molsons	215½	183	207	Dec.	188	Oct.	200	197½	212½	210	210	210	210	210	29
100	14,400,000	12,000,000	217,628	....	1st Dec.	q. 2½	Montreal	257	225	250	Nov.	*228	May	....	237	....	247	247	247	247	247	41
100	3,000,000	5,500,000	55,741	....	1st Jan.	q 3	Nova Scotia	293	274	286	Dec.	274	Oct.	....	273	287	....	....	....	....	....	....
100	3,000,000	3,000,000	405,991	....	1st Dec.	q 2½	Ottawa	226¾	212	208	Sept.	200	Sept.	....	....	....	205	....	....	....	....	....
100	2,500,000	1,250,000	146,900	....	1st Dec.	q. 1¾	Quebec	145	119	135	July	120	Jan.	122	....	122½	....	°122	°122	°122	°122	5
100	3,900,000	4,600,000	78,685	....	1st Jan.	q. 2½	Royal	242	218	233	Nov.	211¾	Oct.	....	218	232	....	°230	°230	°230	°230	7
50	1,560,110	1,760,110	61,903	....	1st Nov.	q. 3	Standard	230¼	210	232	Dec.	*°213	Jan.	....	....	....	240	°240	°241	°240	°241	7
100	4,000,000	4,500,000	227,050	....	1st Dec.	q. 2½	Toronto	235¼	200	221	Dec.	201	Oct.	....	205	....	225	227	227	227	227	41
100	4,353,092	2,000,000	190,982	....	1st Jan.	q. 1¾	Traders	140	123	137½	Dec.	122	Feb.	....	123	....	137	138	138	137½	137½	10
100	3,200,610	1,800,000	62,213	....	1st Dec.	q. 1¾	Union	152	125	134¾	Dec.	121½	Mar.	....	....	140	136	°135	°135	°135	°135	3
Par Value	**Outstanding Common Stock**	**Out-standing Preferred**	**Bonds**	**Res. Funds Profit and Loss**																		
							TRANSPORTATION															
100	141,534,436	164,460,410	39,621,966	....	1st Oct.	s. 3½	Canadian Pacific Railway	195⅛	140	180	Nov.	142	Feb.	....	*150¼	176½	176	177½	177¼	175	175⅝	1,241
100	12,500,000	....	21,162,000	1,546,272	....		Detroit United	84½	28½	55⅞	Nov.	31¼	Apl.	38¾	38½	58¼	58	56	57	55½	57	784
100	12,000,000	10,000,000	20,000,000	....	....		Duluth	14	6¾	18⅜	Nov.	9½	Mar.	....	....	20	19½	18	18	17	17	35
100	1,350,000	....	600,000	252,053	1st Dec.	q. 1½	Halifax Electric	104½	87¼	107	Dec.	95	Jan.	....	96	107	....	106¾	107	106¾	107	75
100	7,463,960	....	8,142,931	128,742	....		Havana Electric	45¼	21	39½	Dec.	20	Apl.	....	....	42	40	40	40½	40	40½	310
100	....	5,000,000	....	....	15th Dec.	q. 1	Havana Electric, preferred	86	68	86	Dec.	68½	Mar.	....	....	87	83	°84	°84	°84	°84	5
100	6,395,500	3,274,300	20,030,500	....	1st Jan.	q. 1½	Illinois Traction, preferred	94¼	70¼	95	Nov.	79	Jan.	82	80	93¼	93	93¼	94	92½	93	465
100	6,000,000	....	9,000,000	151,701	1st Nov.	q. 1	Mexico Tramway Co	61	57	139	Nov.	68½	Jan.	....	....	....	....	126	126	126	126	50
100	16,800,000	8,400,000	53,615,000	6,183,096	15th Oct.	s. 3	Minn., St. P. and Sault Ste. Marie	136¾	65	135	Nov.	80½	Jan.	91	....	146	145¼	145¼	148¼	143⅞	144¼	1,175
100	9,429,262	....	4,461,034	2,042,216	1st Nov.	q. 2½	Montreal Street	239	157	204½	Nov.	†170½	July	180	178¾	208¼	208	210½	211	207	207	866
100	840,000	....	....	55,996	20th Jan.	a. 8	Northern Navigation	104	79¾	105	Dec	83	Feb.	....	....	100	*97	104	105¼	*97	*97	267
100	8,938,900	....	11,188,000	851,582	15th Dec.	q. ¼	Northern Ohio Traction	30⅝	20	21	Jan.	15¾	Aug.	....	20½	....	....	....	....	....	....	....
100	2,500,000	667,200	2,500,000	454,886	....		Quebec Railway L. & P. Co., com	....	....	39½	Dec.	39½	Dec.	....	....	....	....	....	....	....	....	....
100	3,132,000	....	293,947	341,397	1st Dec.	q. 1¼	Richelieu and Ontario	82⅞	48½	78	May	62½	Feb.	66	65	78½	78	79¼	80¼	79	79¼	937
100	25,000,000	....	24,043,400	....	....		Rio de Janeiro	48¼	26¾	81¾	Dec.	29	Jan.	31	30	....	84	80½	81	80	81	957
100	751,000	....	....	101,968	1st Jan.	a. 10	St. Law. & Chi. Steam Nav. Co	127½	°116	126½	Sept	†109½	Jan.	....	....	....	111	107	°116	105½	°116	258
100	9,700,000	....	6,000,000	1,992,742	1st Jan.	q. 2½	Sao Paulo	138½	94	156½	Aug.	110½	Jan.	113½	113⅜	153¾	153¼	152¾	153	151⅞	152½	732
100	13,875,000	....	13,258,000	1,341,847	....		Toledo Railway	29⅛	9	15	May	5	Oct.	12¾	12½	12	11	10	10	10	10	20
100	8,000,000	....	3,613,373	2,386,027	1st Jan.	q. 1½	Toronto Railway	115½	82½	109	Dec.	94	Jan.	96	95¾	....	110½	110	111¾	110	110	2,355
100	9,000,000	2,600,000	6,993,000	194,203	1st Jan.	q. 1½	Tri-City, preferred	90½	80	85	Dec.	69	Feb.	....	....	....	....	85	85	85	85	50
100	20,100,000	3,000,000	17,900,000	1,597,486	15th Aug	q. 1¼	Twin City	108½	69½	97	Dec.	78¾	Feb.	....	85⅝	100	99¾	97⅝	100¾	97⅝	100	4,272
100	5,320,950	....	5,000,000	908,688	1st Jan.	q. 2½	Winnipeg Electric	186	119½	171¾	Aug.	124	Jan.	....	130	....	157	162	162	156	160	744
							TELEGRAPH, LIGHT AND POWER															
100	12,500,000	....	3,649,000	2,000,000	15th Oct.	q. 2	Bell Telephone	145	115	143	Nov.	119	Jan.	....	....	145	144	140	145	140	°144	234
150	3,249,800	....	....	2,237,563	1st Nov.	q. 2½	Consumers Gas	206	182	200	Dec.	182	Jan	....	*185	....	200	°198	201	°198	201	350
100	41,380,400	....	....	....	1st Jan.	q. 1	Mackay, common	75⅛	41	77⅝	Nov.	52	Feb.	57¾	57	74¾	74	74	75⅜	74	74⅛	1,197
100	....	50,000,000	....	880,471	1st Jan.	q. 1	Mackay, preferred	71½	49¼	71½	Dec.	59¼	Feb.	63	62	70½	69¼	69⅞	70	69	69¾	621
100	13,585,000	....	12,000,000	1,486,710	15th Oct.	1	Mexican Light and Power Co., com	57½	35	79½	Aug.	45⅞	Apl.	48	47¾	82⅝	82⅜	73¾	78⅝	73¾	78½	4,849
100	13,585,000	2,409,000	12,000,000	....	....		" " " preferred	....	....	108½	Sept.	99	Feb.	....	....	....	....	....	....	....	....	....
100	17,000,000	....	9,495,000	1,708,779	15th Nov.	q. 1½	Montreal Power	96½	79	113	Dec	85	Jan.	88	87¼	116½	116⅜	116¼	117	115¼	116	3,462
100	3,385,477	....	1,000,000	660,345	1st Jan.	q. 2	Toronto Electric Light	160	110	135	Oct.	110	Apl.	....	....	134	....	....	....	....	....	....
							INDUSTRIALS AND MISCELLANEOUS															
100	4,700,000	2,000,000	....	1,763,668	1st Jan.	q. 1¾	Canadian General Electric	136½	77¾	108	Nov.	83	June	....	94½	....	103½	103	103	101	101	25
1	2,000,000	....	....	....	1st July	s. 4	Crown Reserve	....	....	2.90	Dec.	1.98½	Oct.	....	....	272	270	2.65	2.85	2.64	2.81	76,211
100	20,000,000	5,000,000	9,024,500	789,179	....		Dominion, Steel, common	25	12½	22¼	Dec.	14	Jan.	15⅝	15½	19¾	19⅝	19½	19½	19	19½	382
100	5,000,000	....	....	....	1st Nov.	s. 3½	Dominion Steel, preferred	66½	36	75	Dec.	44	Jan.	52	51	71¼	70¾	70	71½	70	71½	360
100	15,000,000	....	5,612,164	1,825,940	1st Jan.	q. 1	Dominion Coal	70¼	37	60	Aug.	37¾	Jan.	39	38½	....	59	55	56	55	56	305
100	....	3,000,000	....	....	1st Nov.	s. 3½	Dominion Coal, preferred	112	85	103	Dec.	85	Feb.	....	....	102	100	102	102	102	102	40
100	5,000,000	1,858,088	7,175,160	1,394,000	1st Jan.	q. 1¼	Dominion, Textile, common	47	42	67	Dec.	40	Sept.	44	....	63¼	63	64	65	62½	64	1,250
100	5,000,000	1,858,088	7,175,160	1,394,000	15th Oct.	q. 1¾	Dominion Textile, preferred	*99	75	107¼	Dec.	78¼	Jan.	....	78½	....	....	103	103	103	103	27
100	2,000,000	....	1,000,000	935,265	15th Oct.	s. 3	Lake of Woods Milling	90	65	98¾	Dec.	71	Jan.	....	....	100	99¼	97½	99½	97½	99	847
100	....	1,500,000	....	....	1st Dec.	q. 1¾	Lake of Woods Milling, preferred	112	99¼	119	Nov.	103	Jan.	....	....	....	119½	120	120	°116¼	116¼	40
1	5,597,000	....	....	....	21st Oct.	q. 3	La Rose Cons. Mines Co	....	....	7.12½	Nov.	6.25	Dec.	....	....	6.47	*6.40	6.40	6.50	6.40	*6.50	1,045
100	1,600,000	....	1,010,000	459,388	5th July	s. 3½	Laurentide, common	93½	80	112½	Dec.	93	Jan.	....	....	....	114	112	114	112	114	834
100	....	1,200,000			1st Jan.	q. 1¾	Laurentide, preferred	110	98	116	Nov.	101½	Jan.	....	....	....	116⅛	116	116	116	116	50
105	700,000	....	....	286,168	8th July	s. 2	Montreal Steel	98½	75	83¼	Nov.	57	June	....	....	80	69	....	....	....	....	....
100	....	800,000	....	....	8th Jan.	q. 1¾	Montreal Steel, preferred	106	92	105	Dec.	92	Jan.	....	....	112	105	....	....	....	....	....
5	6,000,000	....	....	11,615	20th Oct.	q. 3	a Nipissing Mines Co	15	5½	12⅜	Nov.	6⅛	Feb.	....	*7	....	*9.90	9.87	10.00	*9.87	*9.90	610
100	4,987,600	....	3,752,000	2,784,464	Passed		Nova Scotia Steel, common	79	45	62	Jan.	41⅞	June	60½	59	58½	57½	58	58¼	58	°58	760
100	....	1,030,000	....	....	15th Oct.	q. 2	Nova Scotia Steel, preferred	*120	106	115	Sept.	108½	Apl.	....	....	....	*115	120	120	°116¼	°116¼	18
100	2,500,000	....	1,750,000	457,264	31st Aug.	s. 3½	Ogilvie Flour	....	....	116	Dec.	101	Oct.	....	250	116	115¾	114	116¼	114	115½	2,260
100	....	2,000,000	....	....	1st Dec.	q. 1¾	Ogilvie Flour, preferred	121	110	130	Mar.	114	Jan.	....	....	....	117	°119	°119	°119	°119	24
100	8,750,000	....	....	1,700,987	1st Jan	q. ¾	Shredded Wheat, common	....	....	32	Nov.	30	Nov.	....	....	31	30	30½	30½	30½	30½	100
100	....	1,250,000	....	1,700,987	1st Jan	q. 1½	Shredded Wheat, preferred	....	....	99	Dec.	94	Oct.	....	....	98¼	....	....	....	....	....	....

Ex-div. † Ex-allotment. a—Quotations $5 per share. °Less than ten shares.

INACTIVE STOCKS

Par Value	Common Stock Outstanding	Bonds, Preferred Stock or Deben'res Outstanding	Reserve and Contingent.	Last Dividend		STOCK	Range for year 1908		Latest price		Last Sale
				Date	Per cent.		High	Low	Ask	Bid	
						BANKS					
243	4,866,666	171,743 L	2,336,000	1st Oct.	i. 3	British North America	147	141	....	....	149¾
100	3,000,000	100,677 L	2,000,000	1st Jan.	q. 2	Eastern Townships	156	148	155	..	*155
100	2,500,000	31,723 L	2,150,000	1st Dec.	q. 2	Hochelaga	150	133	155	....	148
30	1,800,000	52,584 L	900,000	1st Dec.	q. 1¾	Nationale	120	120	....	....	120
100	735,400	15,495 L	1,268,240	1st Jan.	q. 3¼	New Brunswick	....	....	....	....	272
						LOAN AND TRUST					
50	630,200	1,024,170	302,237	2nd Jan.	s. 3	Agricultural Loan	....	....	....	120	122
100	1,004,000	3,136,248	575,875	2nd Jan.	s. 3½	Canada Landed	127	113½	....	130	127
10	6,000,000	13,448,880	2,820,410	1st Jan.	s. 3¼	Canada Permanent	145½	111¾	....	150	150½
100	1,500,000	4,376,576	1,120,849	1st Jan.	q. 2	Central Canada	....	....	160	....	160
10	100,000	p 2,401,005 d 147,413	15,387	1st Jan.	s. 2½	Col. Investment, pref.	70	60	....	67	67
50	934,617	394,045	118,082	2nd. Jan.	s. 2	Dominion Savings	72	70	....	70¼	*70
100	1,100,000	1,637,156	551,221	2nd Jan.	s. 3	Hamilton Provident	120	117¾	120	118	120
50	1,900,000	5,541,388	1,689,944	2nd Jan.	s. 4½	Huron and Erie	182¾	174	....	180	180
100	735,481	547,746	78,720	2nd Jan.	s. 2½	Imperial Loan	70	70	....	....	70
100	700,000	965,387	361,404	2nd Jan.	s. 3	Landed Banking	120	120	....	120	120
50	1,000,000	2,214,572	289,100	2nd Jan.	s. 3+	London and Can. Loan	40	95	109	....	109
50	697,268	542,580	145,509	1st Jan.	s. 3	London Loan and Sav.	....	....	....	....	119
25	500,000	....	471,521	16th Sept.	s. 4	Montreal Loan	134	132	....	....	132
100	1,000,000	....	513,515	1st Jan.	q. 2	National Trust	150½	145	....	160	150
50	1,200,000	1,585,073	756,257	2nd Jan.	s. 3¼ x ½	Ontario Loan and Deb.	130	128	....	135	130
40	373,720	141,141	100,921	2nd Jan.	s. 2½ plus	Real Estate Loan	92	85	....	85	92
100	1,000,000	....	425,868	2nd Jan.	s. 3¾	Toronto General Trusts	145	143	....	143	145
50	724,550	1,280,234	343,926	2nd Jan.	s. 3	Toronto Mortgage Co.	112	104	....	113	112

Par Value	Common Stock Outstanding	Bonds, Preferred Stock or Deben'res Outstanding	Reserve and Contingent	Last Dividend		STOCK	Range for year 1908		Latest price		Last Sale
				Date	Per cent.		High	Low	Ask	Bid	
100	1,000,000	1,150,883	655,725	1st Jan.	q. 1½	Toronto Savings	....	....	....	....	126
						OTHER COMPANIES					....
100	1,511,400	1,270,000	419,189 L	3½ for 6 mos. May. 20, '06		Brit. Columbia Packers, pfd	....	....	....	....	°75
100	2,700,000	b 2,000,000	....	15 Dec.	q 1	Canadian Col. Cotton	56¼	47½	54	52	°55
400	1,000,000	....	10,117	1st Jan.	s. 4	Canada Life Assurance	159	159	....	....	159
100	3,000,000	....	....	Nov.	q 1	Canadian Converters, Ltd.	55	39½	49	....	49
100	500,000	....	46,333	1st Jan.	q. 2	Canadian Salt	110	109	....	....	°109
5	294,073	....	....		a	Canada North-West Land	....	....	$105	....	175
100	565,000		53,636	....		City Dairy	20	15	25	....	15
100	346,350	....	....	1st Oct.	1¾	City Dairy, preferred	87	83	....	....	85
100	100,000	....	....	1st Jan.	q. 3¾	Confederation Life Associa.	....	....	....	....	285
100	6,212,500	....	2,124,420	1st Aug.	s. 3	Crows Nest Pass Coal Co.	130	°120	120	....	°120
50	1,000,000	....	294,509	15th Oct.	q. 1½	Dominion Telegraph	110	100	110	....	101
100	450,000	....	478,213	1st Jan.	q. 2	Imperial Life Assurance	145	145	....	....	145
100	1,183,835	....	49,058	....		Intern. Portland Cement	122	116¾	....	123	122
100	500,000	b 344,000	90,474	1st Sept.	s. 3	Intercolonial Coal	60	50	....	....	50
100	....	219,700	....	1st Sept.	s. 3½	Intercolonial Coal, pfd	....	....	....	....	100¼
100	406,200	b 102,083	101,713	1st July	s. 3	London Electric	....	....	....	....	89¾
40	540,024	b 500,000	21,138	31st Dec.	s. 3¾	London Street	92¼	92¼	....	....	97¼
100	3,000,000	b 300,000	....	15th Dec.	q. 1¾	Montreal Cotton	128	105	124	123⅛	122½
40	2,000,000	....	98,098	15th Oct.	q. 2	Montreal Telegraph	148	132	140	*	137
100	701,700	b 125,000	133,394	2nd Jan.	s. 4	Niagara Navigation	129	105	....	125	125
100	925,000	b 819,000	204,710	....		Niagara, St. Cath. and Tor.	....	....	....	....	80
100	$1,250,000	500,000	264,000	1st Jan.	q. 2½	Ottawa Electric Railway	....	....	....	....	....
100	2,150,000	b 2,000,000	414,844	1st Nov.	q. 1	Penmans Limited, com.	50	29¾	48¼	48	48
100	....	1,075,000	414,844	1st Nov.	q. 1½	Penmans Limited, preferred	85	88⅝	87	86	85
100	6,500,000	b 4,500,000	100,000	20th Nov.	q. 1	Shawinigan W. and P. Co.	81	55	84	83	84
£1	1,164,000	b 720,000	134,322	10th Jan.	. 1¼	Trinidad Electric	....	....	....	....	....

NOTE.—s means semi-annually; q—quarterly; I—Interim; L—profit and loss; +—indicates bonus; b—means bonds; p—preferred stock; d—debentures; o—less than ten shares; A—$4.00 per share return of capital paid Oct. 15, 1908.

TORONTO STOCK EXCHANGE—UNLISTED

Name	1908				
	High	Date	Low	Date	Sales
Beaver Consolidated Co	.66½	Nov.	.24	Dec.	800,027
Buffalo Mines Co	3.62½	Nov.	2.15	Sept.	2,032
Canadian Gold Fields	.06	Nov.	.03	Sept.	92,000
Chambers-Ferland	1.15	Nov.	.75	Sept	520,585
City of Cobalt	2.80	Oct.	1.75	Sept.	16,046
Crown Reserve	2.88	Nov.	.38	June	666,935
Cobalt Central	.74	Dec.	.21	Feb.	70,525
Cobalt Lake Mining Co	25¼	Nov.	.10	March	337,992
Cobalt Silver Queen	1.28	Sept.	.73	Jan	78,040
Coniagas	7.20	Nov.	3.90	March	15,548
Consolidated Mining and Smelting	105.00	Nov.	64.50	March	1,991
Foster-Cobalt Mining Co	.89	April	.38	July	247,840
Green-Meehan Mining Co	.45	Nov.	.10	March	92,900
Kerr Lake Mining Co	7.80	Dec.	2.60	April	26,060
Little Nipissing	.65	Nov.	.28	Oct.	148,170
McKinley Darragh-Savage Mines	1.30	Nov.	.64½	April	55,077
Nancy Helen	1.01½	Nov.	.73	Dec.	7,650
Nova Scotia Silver Cobalt Mining Co	.81⅝	Nov.	.20	March	1,128,980
Otisse	.65	Nov.	.43	Dec.	269,120
Peterson Lake	.53	Nov.	.12	Jan.	275,425
Right of Way	4.00	Nov.	3.65	Sept.	2,850
Rochester	.45	Nov.	.18	Dec.	409,315
Red Rock	14½	June	. 2¼	Sept.	72,300
Silver Leaf Mining Co	.23	Nov.	. 7	Feb.	959,225
Temiscamingue	2.00	Nov.	.29	Jan.	775,237
Trethewey	1.80	Nov.	.47	Jan.	500,652
Watts Mines	.78	Sept.	.60	Oct.	870

TORONTO STOCK EXCHANGE—UNLISTED

Week ending Jan. 15, 190

NAME	Stock Issued	Par.	Acreage.	Last Dividend Paid.	From Jan. 8 to Ja . 14			Closing bid Jan. 15.
					High	Low	Sales	
Beaver Consolidated Mines	1,500,000	1.00	20	....	.25½	.25	13,400	.25
Buffalo Mines Co	1,000,000	1.00	40	5 1 Jan. '09	....	....	....	3.50
Canadian Goldfields Syn	600,000	.10	....	⅞% Nov. '07	....	....	....	.04
Chambers-Ferland	2,311,000	1.00	124	....	.80	.79	9,600	.78½
City of Cobalt Mining Co	1,500,000	1.00	41	3x7% Jan. '09	2.50	2.43½	1,830	....
Cobalt Central Mines Co	4,761,500	1.00	777	2% Feb. '09	.59	.56	5,300	.50
Cobalt Lake Mining Co.	3,930,866	1.00	....	....	.18½	17	1,300	.17
Cobalt Silver Queen	1,500,000	1.00	58	3% Dec. '08	.98	.95	1,400	....
Coniagas	4,000,000	5.00	40	3% Nov. '08	6.75	6.70	825	6.50
Consolidated Mining & Smelting.	5,355,200	100.00	....	1¼% Nov. '07	....	....	....	....
Foster Cobalt Mining Co	915,588	1.00	40	5% Jan. '07	.60	.48	21,010	.45
Green-Meehan Mining Co	1,500,000	1.00	40	....	.20	.20	1,000	.20
Kerr Lake Mining Co	3,000,000	5.00	57	3% Dec. '08	8.00	7.99	925	....
Little Nipissing	650,060	1.00	48	....	.44½	.40	9,600	....
McKinley-Darragh-Savage Mines	2,246,937	1.00	122	5% Jan. '09	.99	.99	400	....
Nancy Helen Mines	500,000	1.00	52	....	.70	.70	1,450	....
Nova Scotia Silver Cobalt M. Co.	1,900,000	1.00	28	....	.63	.60	18,100	....
Otisse Mining Co.	1,500,000	1.00	41	....	.45½	.42	1,580	....
Peterson Lake	2,561,820	1.00	225	....	.35	.30½	25,600	.30
Right of Way Mining Co	499,518	1.00	†	7% Sept. '08	....	....	....	....
Rochester	1,000,000	1.00	68	....	.25	.23	9,700	....
Rothschild Cobalt Co	500,000	1.00	40	....	....	....	....	....
Silver Leaf Mining Co	5,000,000	1.00	45	....	.15¼	14	12,600	.14
Temiscaming Mining Co	2,500,000	1.00	80	3% Oct. '08	1 69	1.64	13,950	....
Trethewey	945,450	1.00	40	10% Dec. '08	1.52	1.47	4,625	1.50

† 3½ acres + 4 miles right of way on Temiskamingue & N. O. Ry.